

Shamir is adamant: No more dickering over the rotation

By SARAH HONIG
and ROY ISACOWITZ
Jerusalem Post Reporters

As the Labour Party's ministers convened at the prime minister's residence last night to hear a report from Premier Peres on his meeting earlier in the day with Yitzhak Shamir, the vice premier warned that he would not now enter into any further negotiations about the rotation.

All details of the rotation had been fully worked out 25 months ago in an agreement that was to remain in effect for 50 months, Shamir insisted.

Sources in the Prime Minister's Office gave the impression that some progress had been made in the Peres-Shamir meeting, though "nothing practical was achieved."

Shamir, however, said he would not agree to any conditions for carrying out the rotation — whether they concerned the future of former finance and justice minister Yitzhak Moda'i or of cabinet secretary Yossi Beilin.

The Likud is seeking Moda'i's return to the cabinet, while Peres wants to appoint Beilin as ambassador to the U.S.

Any conditions on the rotation, like the current delay in handing the premiership over to him, constituted "a blatant violation of the agreement Peres signed," Shamir charged.

Shamir's tough talk after the latest meeting with Peres showed how badly the rotation process appeared to be stalled, Likud sources say. If no way out is found by today and if the Knesset is not convened immediately to approve the Shamir government, the crisis could escalate, since every additional day of delay will create new rancour between the sides, the Likud maintained.

President Herzog and some religious party leaders made unofficial mediation bids yesterday. But Labour spurned most of the religious parties' overtures.

Peres and Herzog met for 35 minutes last night after the president held intensive contacts through the day with leaders of Labour and the Likud. Both the President's Bureau and the Prime Minister's office declined to divulge what was discussed at last night's meeting.

At the Peres-Shamir meeting, alternative proposals for resolving

(Continued on back page)

After swearing-in ceremony at Western Wall

One dead, 69 hurt in grenade attack on soldiers, families

Assault carried out in Dung Gate car park

By MENACHEM SHALEV
Jerusalem Post Reporter

One person was killed and 69 people were wounded last night when two terrorist grenades ripped into a crowd of soldiers and their families near the Dung Gate outside Jerusalem's Old City. At 1 a.m. Idim identified the dead man as Dov Porat of Holon. His 18-year-old son, Omer, took part in the swearing-in ceremony and was injured. Porat's wife and daughter were injured as well.

One of the wounded was in serious condition and 10 were said to be suffering from medium wounds.

The attack took place at 8.20 p.m., following a swearing-in ceremony of Givati Brigade recruits.

Witnesses said two men had hurled the explosives, apparently grenades, at a group of soldiers standing in formation.

The soldiers, standing between two parked buses, were bidding farewell to their families prior to returning to base.

The wounded were rushed by Magen David Adom ambulances and military vehicles to four Jerusalem hospitals. The wounded included soldiers and civilians, among them several children. Two Arabs were hospitalized at Hadassah Hospital on Mt. Scopus.

Police detained 15 people and late last night were combing the area for further clues. Police cordoned off the road leading to the Dung Gate for several hours.

The attack took place in the park- (Continued on Page 2, Col. 6)



A soldier wounded in the Dung Gate blast is taken away for treatment.

(Feinblatt/Media)

Rabin steps in: Labour irked at Baram, Edri

By ROY ISACOWITZ
Post Political Reporter

TEL-AVIV. — Disquiet in the Labour Party at the handling of the coalition crisis led to the participation of Defence Minister Rabin in yesterday's meeting between Prime Minister Peres and Deputy Prime Minister Shamir, Labour sources admitted last night.

The disquiet stems primarily from the activities of party secretary-general Uzi Baram and Knesset caucus chairman Rafi Edri, and the influence the two have on Peres.

Baram and Edri have been largely responsible for Labour's handling of the crisis. They led the party's delegation to the president on Tuesday and met yesterday with the heads of several of the smaller parties in the Knesset to explain Labour's stance.

Not all of Labour's ministers and MKs are satisfied with the duo's activities, however. "Rabin stepped in because he did not want Baram and Edri to lower the political debate to the level of the market," one Labour source said last night.

Other Labour MKs have fingered Baram as the prime influence behind Peres's precipitation of the latest

crisis, which erupted over Shamir's refusal to accept Peres's cabinet secretary, Yossi Beilin, as the next ambassador to Washington.

Among the Labour ministers, Rabin and Education Minister Navon have been most vocal in their opposition to the party's tactics, though both agreed to toe the party line after a stormy meeting of the ministers on Tuesday.

At yesterday morning's meeting of the Labour ministers, Rabin said that neither Beilin nor Nimrod Novick, Peres's political adviser, should be appointed ambassador to Washington.

"Even if we had the authority to appoint them, neither has the experience to fulfil the position adequately," Rabin said.

Further opposition was revealed in the ranks of the MKs during a meeting of the Knesset caucus yesterday. Among those who criticized the delay in the implementation of rotation were MKs Jacques Amir and Menahem Hacoen. But their criticism was not expressed publicly, after Baram demanded that the MKs close ranks and show solidarity.

A lucky day in one boy's life

By BERNARD JOSEPHS
Jerusalem Post Reporter

Yesterday was the luckiest day in little Ayal Sarour's life. Just minutes before he was due to go with his mother and his five sisters to Jerusalem to watch his older brother Ami, 19, sworn in as a member of the crack Givati brigade, the 7-year-old began to be naughty.

"As a punishment, I decided not to let him go — and it may well have saved his life," said his mother, Helena, last night as she lay injured in the casualty ward at Shaare Zedek hospital with 24 other casualties of the Dung Gate bomb blast.

Helena, six months pregnant, came to Jerusalem together with her husband Dario, and their daughters Limor, 13, Vered, 15, Edi, 17, Ortal, 2, and their son Zahi, 10, to see Ami take part in the ceremony. But they got no further than the carpark by the Dung Gate when the bomb went off injuring all of them, except for baby Ortal.

As her leg was being set in a plaster cast last night, Helena, from Bat Yam, said: "I know that Ami is OK, and my husband and the other children are not badly hurt, but they are in hospitals all over Jerusalem. It's not clear to me exactly what

happened. There was an explosion and people were falling all over the place. The area was packed with soldiers and their families."

Helena's daughters Limor and Vered were both being treated at Shaare Zedek. Zahi was at Bikur Holim. And Dario was at Hadassah in Ein Kerem.

Eti, her oldest daughter, was taken to Hadassah Hospital on Mount Scopus, but was later released and was looking after her baby sister last night.

I suppose the luckiest one of all is Ayal. Thank heavens, he was naughty," said Helena.

Hindawi changes story, says he smuggled drugs

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. — Nezar Hindawi took the stand yesterday at the Old Bailey and his calm presentation of his version of events — that he had thought he was smuggling drugs for the Syrians, not a bomb — left some in court with the impression that the prosecution would have to work harder for a conviction than was earlier supposed.

Hindawi, accused of giving his girlfriend a suitcase bomb as she boarded an El Al flight last April, first changed his plea to guilty on two lesser counts — possession of a Browning pistol and of 25 bullets. But he continued to deny attempting to smuggle a bomb on board an El Al jumbo at Heathrow, in the baggage of his unsuspecting Irish girlfriend Ann Murphy, who was pregnant with his child.

Murphy last week told the court that she had had no idea what Hindawi put into her luggage, but had realized that he had planned to kill her when a security agent had found the bomb as she was about to fly to Israel.

Murphy interrupted her testimony last week to scream hatred at the father of a child she is believed to have borne three months after the plot was foiled.

"I still love her and I will love her for ever," Hindawi said in testimony during which he frequently cast a smile around the chamber at London's central criminal court.

Speaking clear, fairly good English, and seldom resorting to his interpreter, Hindawi repeated the story he had told police investigators during their first three interviews with him after his April 18 arrest.

He testified he had gone to Syria last January as a journalist, to cover a meeting of the Afro-Arab Unity Association.

At his Damascus hotel, he had met and befriended a man named Khaled Dandash, and the two had got to talking about smuggling hashish and cocaine.

Hindawi, 32, told the court that Banash had suggested he might make \$250,000 smuggling cocaine. "Did this idea attract you?" defence counsel Gilbert Gray asked.

"Fantastic, yes," Hindawi replied with a grin.

On a second visit to Syria soon after, Hindawi said, he met Dandash again and this time "I agreed to smuggle the drug. I told him I couldn't use my name or my passport. He said, 'don't worry about the passport,' and that he'd give me a Syrian one."

Hindawi, wearing a blue, open-necked shirt and sports jacket, said that Dandash had later brought him a Syrian passport and had paid him \$12,000.

"Dandash told me that if I had any problem in London, I should go to the Syrian Embassy."

In Damascus, Dandash showed Hindawi the reddish-brown bag in (Continued on Page 2, Col. 1)

Demjanjuk not feeling well

By ERNIE MEYER
Jerusalem Post Reporter

The stress on accused war criminal John Demjanjuk — confined to a special block at Ayalon Prison since his extradition from the U.S. in February — is beginning to tell.

Lawyer Mark O'Connor who sees his client once a week, told *The Jerusalem Post* yesterday that Demjanjuk's physical condition was poor, and he could not take his daily exercise. "He has some kind of internal problem, possibly urological, and is staying in his cell," the attorney said.

O'Connor added that Demjanjuk had been examined by three doctors, including the prison system's physician, but they had found nothing physically wrong with him. Demjanjuk, however, is not satisfied with their diagnosis and the resultant lack of treatment. He says that sometimes his pain is so great that he can neither sit nor lie down.

It was for this reason that he stood during the entire two-hour visit last week by Bishop Anthony, head of the Ukrainian Orthodox Church in the U.S., of which Demjanjuk is a member. The bishop has returned to the U.S. to report to his followers.

O'Connor said that Demjanjuk had fasted on Yom Kippur, along with his guards. A bright light burns in his cell 24 hours a day, and every 15-20 minutes a loudspeaker asks his jailers: "Is the prisoner alright?" The cell is watched round the clock with a video camera constantly monitoring the prisoner.

"We are happy with the prison conditions, and especially with the fair attitude of the prison governor," O'Connor said. But he had less kind words for chief police investigator Alex Ish-Shalom and his team.

"They seem to be trying for a confession," he said.

(O'Connor refuses Polish claim — Page 2)



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Six per cent increase seen for November salaries

By AVI TEMKIN

Wage earners will probably receive a cost of living allowance of some six per cent in their November salaries, payable early in December. The increment will be paid if — as the Treasury expects — October's inflation exceeds 2.2 per cent.

The September Consumer Price Index rose by 1.9 per cent, the Central Bureau of Statistics reported yesterday. Price rises last month brought the index to 152.6 points on a 1985-100 baseline. The CBS added that since the beginning of the year prices had risen by 11.9 per cent.

The Treasury said that the September inflation rate was in line with its forecasts, and predicted an annual 1986 inflation rate of about 16 per cent, even though October's

rate is likely to be relatively high. The spokesman added that September's inflation reflected seasonal factors, but stressed that the rate had remained stable, despite the gradual lifting of price controls in recent months.

Net wages for October, payable in November, will rise by 1 to 1.8 per cent, following a 4.2 per cent adjustment in the tax brackets. In accordance with the increase in the index, travel tax will rise as of tomorrow to NIS 200. Travellers to Romania will pay NIS 100 travel tax. Yesterday's CBS figures showed that the index was driven up by relatively large rises in the price of fruit and vegetables (up 4.4 per cent), and education, culture and entertainment (up 3.1 per cent).

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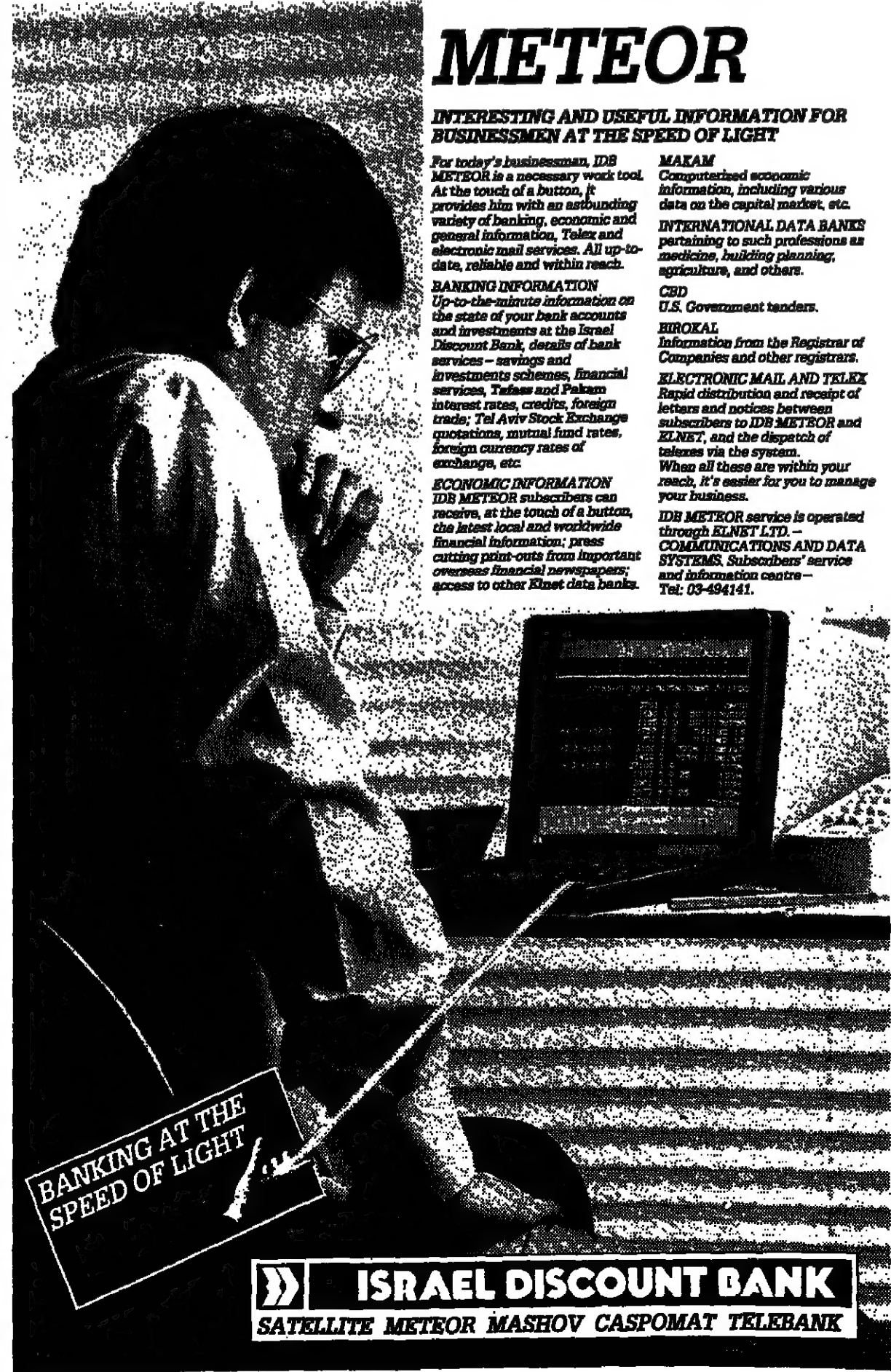
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15.10.86	MIN.	MAX.	C	F	Cloud
AMSTERDAM	7	15	17	63	Cloudy
BRUSSELS	7	15	17	63	Cloudy
CHICAGO	16	24	27	81	Cloudy
COPENHAGEN	8	16	22	72	Cloudy
FRANKFURT	7	15	22	72	Cloudy
GENEVA	9	16	22	72	Cloudy
HELSINKI	5	11	16	61	Cloudy
HONG KONG	23	27	30	86	Cloudy
JERUSALEM	14	22	28	82	Cloudy
LONDON	13	18	22	72	Cloudy
MADRID	13	24	28	82	Cloudy
MONTREAL	13	22	28	82	Cloudy
NEW YORK	17	23	28	82	Cloudy
OSLO	9	16	22	72	Cloudy
PARIS	9	16	22	72	Cloudy
SAO PAULO	15	24	28	82	Cloudy
STOCKHOLM	5	11	16	61	Cloudy
TOKYO	14	22	28	82	Cloudy
TORONTO	6	14	20	68	Cloudy
VIENNA	10	18	24	75	Cloudy
ZURICH	11	17	22	72	Cloudy

*For the latest weather conditions contact Swissair.

THE WEATHER

Yesterday's	Humidity	Min-Max	Today's
Jerusalem	39	15-27	27
Golan	23	14-29	29
Nahariya	61	15-28	29
Safed	29	14-26	27
Haifa Port	60	15-27	28
Tiberias	41	17-30	32
Nazareth	33	17-30	31
Afula	46	14-30	31
Shomron	33	14-30	30
Tel Aviv	61	18-27	28
B-G Airport	48	15-29	30
Jericho	33	18-35	35
Gaza	65	20-26	28
Beerseba	49	14-28	29
Eilat	28	21-33	35

SOCIAL & PERSONAL

Avraham Sharir, minister of justice and tourism, will be the speaker at the ladies' luncheon of the Rotary club at the Tel Aviv Hilton at 1.15 p.m. today.

Hammer to see chief rabbis on Shakkidiel

By HAIM SHAPIRO
Incoming Religious Affairs Minister Ze'evulun Hammer is to consult with the chief rabbis on the case of Lea Shakkidiel, whose appointment as a member of the Yeroham religious council has been held up because she is a woman.

Following a ceremony in Jerusalem at which he accepted the reigns of office from his predecessor, MK Yosef Burg, Hammer told *The Jerusalem Post* that he had not yet come to a decision in the Shakkidiel case. He hoped, he said, to avoid the appeal to the High Court of Justice that Shakkidiel's supporters have threatened.

Hammer's consultation with the chief rabbis could compel them to make an official halachic ruling on the issue. So far, the rabbis have said they oppose such an appointment, but they have refused to issue a halachic decision.

The decision of the religious affairs minister is crucial because, together with the prime minister and the interior minister (or their representatives), he is a member of the committee that has the final say on religious council appointments. Interior Minister Yitzhak Peretz is opposed to a woman serving on a religious council.

Shakkidiel herself charged yesterday that the makeup of 22 other religious councils was being delayed by the ministerial committee's failure to act.

LOTTO. - In yesterday's drawing of the national lottery, the following numbers were picked: 12, 14, 19, 30, 31, 36 and the additional number, 11.

Tribute to Rabbi Dr. David Monson

Shaare Zedek Medical Center, Jerusalem, welcomes to Israel the Delegation of Its Canadian Friends led by Rabbi Monson.

A tribute will be paid to Rabbi Monson at the Annual Shaare Zedek Dinner at the Jerusalem Sherover Theatre Sunday evening, October 26, 1986.

For reservations call: 02-555015, 555433.

CORRECTION

The Social and Personal item, published last Friday, and incorrectly transcribed to *The Jerusalem Post*, should have indicated that the late Archie Sherman was a citizen of Israel, formerly of London. 02-555-21-14

Demjanjuk's lawyer reacts to false witness story in Post

Claims smack of KGB

By ERNIE MEYER
Jerusalem Post Reporter
Mark O'Connor, defence lawyer of accused war criminal John Demjanjuk, yesterday reacted sharply to a report in *The Jerusalem Post* that supporters of his client in the U.S. have been trying for years to find people in Poland willing to testify falsely in his defence.

The item, by *The Post's* Bonn correspondent Vladimir Struminski, was widely defamatory, O'Connor said. "In essence this is a charge of conspiracy to commit fraud against the court, suborn witnesses, and tamper with evidence."

The source of the article's allegations was Jack Wilczur, chief specialist at the Central Commission for the Investigation of Nazi Crimes in Poland. Wilczur's wild, unsupported claims smack of a typical KGB-style smear campaign, using Communist Party news organs in Poland to discredit potential defence witnesses, O'Connor said. "I only hope that the State of Israel will not allow itself to be made a party to this Moscow tactic."

O'Connor also referred to difficulties he has had in obtaining access to information held by the prosecution here. This may also include material which the prosecution describes as falling within the sphere of "state security."

But how can facts emanating from Poland in this case involve "state security," he asked. "Perhaps this is due to the delicate political situation, or current overtures to Mos-

cow," he suggests. O'Connor said that according to his information, articles inimical to his client had been running in the Polish press for the last three weeks. "I couldn't figure out why I was persona non grata in Poland, but on September 26 I got it in writing that I would never be allowed into the country," he said.

The defence attorney from Buffalo said that as a result of *The Post* article all the major news networks were suddenly interested in the counsel for the Demjanjuk case, whom they had previously all but ignored.

"I'm not concerned with the concept of sub judice," he said. "The case is fairly wide open on both sides." But he did complain that this kind of publicity was compounding his difficulties in finding a suitable Israeli lawyer to assist him.

"There are probably only 10 lawyers in Israel with the ability to handle this type of case. So far, none of them has agreed to help me, although I have rejected some other offers on technical grounds," O'Connor said.

He estimated that to conduct an effective defence of his client he would have to set up his own office and staff, at a cost of anywhere from \$500,000 to \$1 million. "If the court appoints a lawyer to assist me, he will only come from the list of volunteers, which does not include any of the big names in the profession." He added that over the past seven

or eight years, Demjanjuk's American-Ukrainian sympathizers had contributed about \$250,000 to his defence fund. "But as of today, I am strictly on my own as far as finances are concerned," he said.

Asked why he was carrying on regardless, O'Connor said that it was "because of my total commitment to justice and the rule of law and my absolute belief in my client's innocence." He added that he had faith in the high level of justice in Israel, but added that John Demjanjuk was a stateless person, "a man without a country, who has only me to defend him."

Although the anonymous threats made against his family in Buffalo last week have not stopped, but rather increased, O'Connor has given up any idea of returning home at this juncture.

Wladimir Struminski adds from Bonn: During his conversation with *The Post*, Wilczur passionately urged that Israel should try Demjanjuk not only for his part in the murder of the 850,000 to 950,000 Jews in Treblinka, but also for the murder of some 10,000 Poles who had been done to death in the camp, mainly as a result of exhaustion from forced labour.

Jews were the major victims, but "for justice's sake, the indictment should include at least a few sentences that not only you, but we, too, were murdered in Treblinka," Wilczur said.

'Amnesty's allegations of torture lies'

Jerusalem Post Reporter

Aluf Shmuel Goren, coordinator of activities in the territories, yesterday denounced allegations that Palestinian security detainees are tortured and beaten in Israeli prisons as "lies from beginning to end."

Goren said he had not yet read Amnesty International's annual report which appeared in London Tuesday and contains allegations of Israeli abuses.

But his aides said that a draft report from Amnesty published in late August based most of its allegations of abuse around the claims of one terrorist, Adnan Mansour Ghanem, 41, who was deported to Jordan in February after serving 17 years in Israeli prisons.

Goren, who spoke during a press tour of Far'a detention centre near Nablus, admitted that there may be "deviations" in which abuses of Palestinian prisoners do occur. But he declared that officers guilty of such incidents are brought before a military court and punished.

He said that the general policy regarding security detainees forbids beatings or other forms of physical abuse.

SU considers proposal on human rights

By WOLF BLITZER

Jerusalem Post Correspondent
WASHINGTON. - The Soviet Union is considering a new U.S. proposal aimed at creating a "formal" framework for dealing with human rights and humanitarian issues, including Soviet Jewish emigration, on a "regular" basis, U.S. officials said yesterday.

They said that the proposal had been made at the Iceland summit by U.S. Assistant Secretary of State Rozsanne Ridgeway during a working session. The Soviet side at that meeting was headed by Alexander Bessmertnykh.

The Americans noted that the Soviets had been prepared to acknowledge the "human rights" dimension - as opposed to the strictly "humanitarian" problems - in a formal joint statement at the end of the summit. But no communique was released due to the failure to complete an arms control agreement, U.S. officials said.

In the past, the Soviets have denied that "human rights" problems even existed in the Soviet Union. Instead, they have referred only to "humanitarian" problems, such as reunification of families.

U.S. officials said it was unclear whether the Soviets would eventually accept the American proposal. Ridgeway, for her part, had made the case that failure to deal with these problems more effectively would simply contribute to "tension and mistrust" between the superpowers.

Deena Zieger adds from Ben-Gurion Airport: In a press conference held here last night, members of the Israeli protest delegation to Reykjavik said that their efforts to focus world attention on the plight of Soviet Jewry had succeeded, despite Soviet efforts to underplay the situation.

Princess Juliana dedicates forest

By DAVID RUDGE

Jerusalem Post Reporter
"It's a great honour to perform this symbolic service for Israel," said Princess Juliana of the Netherlands yesterday - dedicating a new forest in lower Galilee named for her daughter Queen Beatrix.

Visibly moved, the princess thanked those who had made her visit possible: "My heart is full of gratitude." She expressed her admiration and respect for Israel's achievements in land reclamation and afforestation, especially in the Negev, and for its continuing efforts to create a land in which all people "Jews, Arabs and Europeans can live."

The princess was given an enthusiastic, if less than regal reception by the nearly 1,000 guests at the ceremony. They included hundreds of former Dutchmen and Holocaust survivors - many of whom owe their lives to the help they received from Dutch citizens during World War II.

On several occasions, officials of the Jewish National Fund had to form a protective barrier around the slight figure of Princess Juliana and her husband Prince Bernhard, to prevent them from being overwhelmed by well-wishers and pressmen.

But the former queen, who reigned for over 30 years before abdicating in 1960 in favour of her daughter, took this display of Israeli exuberance in her stride.

Moshe Rivlin, head of the JNF which is hosting the couple's six-day visit, noted that the forest was the third to be named after members of the Dutch royal family. There are already two forests named in honour of Juliana herself and her late



Vice Premier Yitzhak Shamir presenting gifts to Princess Juliana of the Netherlands in Jerusalem yesterday. The princess and her husband, Prince Bernhard, are on an eight-day visit to Israel as guests of the Jewish National Fund.

mother Queen Wilhelmina.

Greetings were extended by Dutch JNF head Jack van Dam, Lower Galilee Regional Council chairman Benny Gorfinkel and the head of nearby Kana village, Saleh Taha, who invited the royal couple to visit Kana during their stay in Israel and presented them with a traditional Arab coffee grinder.

The princess, sitting in the bright sunshine flanked by the flags of Holland, Israel and the JNF, listened with apparent appreciation to

the speeches, before unveiling a plaque naming the forest for her daughter.

Making light of her age, the princess planted two saplings. The forest, opposite Mount Tera'an a few kilometres south of the Golan Junction, is to cover 30 dunams and contain 3,500 pine trees.

In the evening, the royal couple visited Kibbutz Sde Nehemia, founded 46 years ago by settlers from Holland, Czechoslovakia and Austria.

Petrol bombs thrown at IDF patrol

RAFAH (Itim). - Two petrol bombs were thrown Tuesday night at an IDF patrol near the Egyptian border. No one was hurt and no damage was caused.

Also Tuesday night, a man was arrested in Khan Yunis after failing to obey IDF orders to stop.

HINDAWI

(Continued from Page One)

which the drugs would be hidden, and explained how a device fitted into a calculator would fool airport x-ray machines so that the hidden drugs would not show up.

Dandash later gave Hindawi the bag with the drugs already secreted together with the calculator, at a London hotel. Hindawi told the court.

Hindawi left Murphy at the end of the passenger line at Heathrow on April 17, kissed her and said he would see her later.

"Did you mean that?" asked Gray.

"Of course," replied Hindawi. "Because the suggestion is that you were sending this pregnant young woman to her death," Gray said.

"That is absolutely not true," Hindawi said.

Labour tarnishes its image

Whatever the outcome of the current squabble between the parties, the Labour Party has done itself serious political damage.

Rather than transfer power cleanly and gracefully, as he repeatedly promised to do, Prime Minister Peres has allowed the rotation to degenerate into a squalid tussle over people and positions.

Rather than have done with what is undoubtedly an unpleasant business in as dignified a manner as possible, Peres has again allowed the level of politics in this country to drop to the gutter. Most surprising is that it was Peres himself who, by all accounts, precipitated the latest dispute. He and Likud leader Yitzhak Shamir had all but reached agreement on the future of Yitzhak Moda'i at a meeting on the eve of Yom Kippur. That agreement, whereby Moda'i was to join the cabinet as minister-without-portfolio, was acceptable to most of Labour's ministers.

Yet, when the ministers met to finalize the issue on Tuesday morning, it was Peres himself who put the spoke in the wheel of rotation.

The reason for Peres's about-face was Shamir's refusal to consider cabinet secretary Yossi Beilin as

ambassador to Washington, reportedly the fourth candidate put forward by Peres and thus rejected.

According to Labour leaders, it was the principle, and not the question of Beilin specifically, which rankled. Shamir would not grant the foreign minister-to-be the elementary right to appoint ambassadors of his choosing.

Labour did not sign the coalition agreement at gunpoint. And it should know the Likud well enough to realize that Shamir and his colleagues would dish up in equal measure the countless little indignities they were forced to swallow.

The problem is that Labour did not believe that it would have to go through with rotation, which meant that it did not pay due attention to the longer-term consequences of the coalition agreement.

And even when Labour had reconciled itself to the concept of rotation, it was unable to reconcile itself to the practical reality. As Labour Secretary-General Uzi Baran said recently: "We are used to being in government and we are used to being in the opposition. But we are not used to being No. 2 in government."

Many of Labour's complaints may be justified in principle, but rotation has little to do with principles. The name of the game is power. The Likud gnashed its teeth (in Shamir's memorable words) for two years and now it is Labour's turn.

Had Labour been able to accept the consequences, however unpleasant, of its signing of the coalition agreement, it would have added enormously to its public esteem. And that esteem could have been converted into hard currency at the next general election.

Instead, Labour has soiled itself. It may manage to force a compromise and perhaps install a Yossi Beilin in Washington. But the impact on government policy will be limited and the cost at the polls will be enormous.

national unity rhetoric notwithstanding.



Anguished relatives ask for news of the wounded. (Gustavo Feinberg)

DUNG GATE

(Continued from Page One)
ing lot some 50 metres outside the Dung Gate.

It was the most serious attack in Jerusalem since February 28, 1984, when 21 people were injured in a grenade attack.

"I saw white smoke. I ran out of the car without my shoes on," said Yehudit Israel, whose husband was hit in the back by shrapnel. "I heard all sorts of noise. It was a terrible mess." Her 10-year-old daughter, Daniella, said she had been sitting in the family car when the blasts went off. "I thought it was a bad nightmare and I fell to the floor," she told reporters.

Mayor Kollek called the attack "a large scale disaster."

"We have had several good months of quiet in the city...Every day I have prayed that this quiet would continue. But it is clear that a disaster has happened. It seems this is a large scale disaster," Kollek said.

An Arab shopkeeper was covered in the blood of the wounded people whom he had helped carry to cars and ambulances that took them to hospital. He said his 12-year-old nephew had been injured.

The parking lot was strewn with pieces of metal and glass from the cars and buses. Soldiers quickly collected the heaps of bloody personal belongings and bits of clothing that had been used to give first-aid to the injured.

One distraught mother, tears streaming down her cheeks, said: "I had just said goodbye to my son and was walking towards the bus stop near the gate. Suddenly there were two explosions that knocked me to the ground. There was some shooting. The screams were awful. I couldn't find my son. I don't know where he is."

Givati commanders quickly regrouped the soldiers, and had them wait for several hours till the area was cleared.

"We were just walking down to

the parking lot when we heard two explosions," some of them said. "We threw ourselves to the ground and then scrambled away after the second explosion."

A soldier named Yossi said: "We were so happy that we were nearly through with basic training. The worst is over, we thought. But this was worse than anything that we could ever have imagined."

Later in the evening, police prevented Kach MK Meir Kahane and some of his followers from approaching the scene of the attack.

Pinhas Landau adds:

Bikur Holim hospital received 15 wounded, including 12 soldiers (two of them women), two children and an older woman. Most had wounds in the back and legs.

Ten-year-old Liat Rosenberg was wounded in the back as she waved good-bye to her soldier brother. Her mother took her to Bikur Holim, while her brother, also wounded, was taken to another hospital by their father.

Greer Fay Cashman adds:

Twenty-three of the wounded were evacuated to Hadassah Hospital on Mt. Scopus, where a male civilian died on arrival. Another was described as being in very serious condition. Three of the wounded were said to be tourists. The rest, all soldiers, were said to be suffering from light to moderate wounds.

The scene in the grounds of the Mt. Scopus hospital was chaotic. Anxious relatives were denied access by police, who also refused to allow photographers and reporters to enter the hospital.

When Hadassah spokeswoman Ruth Mekel permitted Hanan and Tamar Mossk to go inside to see their soldier brother Raymond, who was among the injured, police barred their way. Police also tried to forbid parents of the wounded soldiers from talking to the press.

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FOREIGN NEWS

Arms control meetings start in Geneva

U.S. optimistic on summit accords

GENEVA. — U.S. and Soviet arms control negotiators yesterday held their first talks since the Reykjavik summit and the chief U.S. delegate said his team was ready to put onto paper agreements reached at the weekend meeting.

The Reykjavik meeting "was a very important, significant, positive step in the bilateral development of an agreement here," Max Kampelman told reporters.

"We're ready to sit down now, take the agreements that were made, communicate them into practical language, and try to formalize as much of this as we can," Kampelman said.

He spoke at a news conference in front of the U.S. mission before the meeting on defence and space systems began. A parallel meeting on strategic nuclear arms was scheduled to take place at the Soviet mission.

Viktor Karpov, the chief Soviet delegate, was

touring West European capitals and was not to return to Geneva before next week. His deputy, Yuri Kusnetsov, refused to speak to reporters.

Kampelman called it "an important step" that U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev had apparently agreed to eliminate medium-range missiles in Europe.

He said he was "so sorry" that Gorbachev in Reykjavik had insisted on linking agreement on medium-range weapons to the U.S. Strategic Defence Initiative.

The Soviets insisted that SDI be limited to laboratory research for the next 10 years, a request which Reagan refused.

Kampelman said that Reagan had been the one to make a concession in that area by agreeing to abide by the 1972 anti-ballistic missile treaty for 10 years, as long as all ballistic missiles would be eliminated by that time. The U.S. had previously

objected to such a long written commitment to the treaty.

Kampelman said his negotiating team did not have new instructions but that he hoped the Soviets would.

He said "many more problems were solved" in Reykjavik than he had expected and that the Geneva talks would be pivotal in continuing the work done there.

A large underground nuclear test will be conducted in Nevada today, the U.S. Department of Energy (DOE) announced yesterday in Washington.

Washington has announced 17 tests since the Soviet Union declared a moratorium on such testing on August 6, 1985. The Soviets have claimed that the U.S. also conducted four secret underground tests in the past year. (AP, Reuter)



Three Soviet officers and a private join hands during farewell ceremonies in this picture released yesterday by the Soviet news agency Tass. Evacuation of 8,000 Soviet troops is proceeding according to schedule, according to reports yesterday. (Reuter telephoto)

In Brief

Picasso's widow commits suicide in S. France

CANNES, France (Reuter). — The widow of Pablo Picasso shot herself dead yesterday after years of depression following the artist's death, police said.

They said 60-year-old Jacqueline Picasso, the painter's second wife, killed herself with a single bullet to the head at her country home in the village of Mougins near this south coast town.

Six to be charged for Jordanian's murder

ANKARA (Reuter). — Turkish police are to charge six men, two of them now at large, and all alleged members of the Abu Nidal group, with the murder of a Jordanian diplomat in Ankara last year, a public prosecutor said yesterday.

Ziyad al-Sati, first secretary at the Jordanian Embassy, was shot dead in the Cankaya district of Ankara in July 1985 as he was driving to work.

Iranian athletes defect

SEOUL (AFP). — Four Iranian athletes who ran away from their Asian Games team in Seoul two weeks ago in an apparent defection bid were still holed up in the Iraqi consulate general here yesterday.

Beirut U. sit-in

BEIRUT (Reuter). — Lebanese Christian medical students, claiming they felt unsafe in Moslem West Beirut, staged a sit-in yesterday to press the American University of Beirut (AUB) to let them study in the city's Christian East.

Sino-Soviet border negotiations to resume

PEKING (AFP). — China and the Soviet Union are to resume negotiations on their border differences in February after an eight-year hiatus, Soviet Deputy Foreign Minister Igor Rogachev said yesterday.

Rogachev made the announcement as he was about to board a flight home after a week of discussion with Chinese counterparts on normalizing Sino-Soviet relations.

"One of the most significant results of this series of consultations was that we will resume in February in Moscow our discussion regarding the border," the new Soviet negotiator to the normalization talks said.

The talks will involve deputy ministers from both countries, and

the venue will alternate between Moscow and Peking, he said.

Western diplomats said the resumption of talks over the 7,500-kilometre-long border was one of the clearest signs yet of warming relations between the two Communist giants.

The thaw began in 1982 following 20 years of ideological and strategic rivalry and several border clashes.

A joint Sino-Soviet statement quoted by the official New China News Agency said the meetings here on normalizing relations had taken place "in an earnest and frank atmosphere," and announced that another round had been scheduled for April in Moscow.

Dispute halts earthquake rescue work

SAN SALVADOR (Reuter). — A dispute between international rescue workers has held up the search for people who may still be alive in the ruins of a large building destroyed in the San Salvador earthquake.

The Salvadorean government directed British and U.S. teams to use heavy equipment to clear away huge concrete slabs, but French and Swiss teams already at the site of the Ruben Dario office and shopping complex wanted to press on with delicate probing using dogs and electronic sensors.

More than 350 people were believed trapped in the building after the earthquake struck the capital of this war-torn country on Friday. The official death toll stands at 976 and rescuers are still searching through the rubble of 22 other major sites.

No people, alive or dead, were brought out yesterday. Other sites also reported finding no survivors.

The first half-ton of Israeli medical supplies left on an El Al flight from Ben-Gurion airport bound for El Salvador yesterday. The 34 cartons of antibiotics were organized by the Foreign Ministry and the Ministry of Health earlier in the week.

The Israeli Committee to Aid Victims of the El Salvador Earthquake yesterday announced that contributions may be sent to account number 105-093440, First International Bank, branch 016.

Millions jam Shanghai's streets to hail Elizabeth

SHANGHAI (AP). — Crowds estimated in the millions jammed the streets and lanes of Shanghai's old city yesterday for a glimpse of Queen Elizabeth II in one of the most tumultuous welcomes ever given a foreign visitor to China.

The queen, making the first visit ever by a British monarch to China, was greeted by 2,000 dancing, singing children on her arrival in the largest city of the world's most populous nation earlier in the day.

Later, when she visited the 400-year-old Yuyuan Gardens near the Bund, Shanghai's famous waterfront, police had to push back throngs surging forward for a better position to see the queen.

"I've never seen so many people in the streets," said Michael Shea, the queen's press spokesman. "We can safely talk about millions in the streets."

At one point, a squad of motorcycle police roared through the narrow

twisting roads of the Yuyuan bazaar, the old city market surrounding the gardens, to drive back the crowds.

Elizabeth strolled down the bazaar lanes, lined with tiny shops selling noodles, dumplings, duck blood soup, antiques, clothes and about 2,500 other commodities, on her way to the gardens. Onlookers and shopkeepers waved and clapped.

She crossed the Nine-twist Bridge to the Mid-lake Pavilion teahouse to listen to traditional music, and then entered the walled garden with its sweeping dragon carvings and buildings with such names as "Three Corn Ear Hall" and "Pavilion for Viewing Frolicking Fish."

The queen, on her way from the airport to the Xijiao guesthouse, passed the former site of a British golf club in pre-Communist China. The area is now being developed by the city government and foreign investors are being urged to set up

businesses there.

She also travelled through the former French Concession and International Concession of the city, still filled with European-style homes, many now run down and occupied by several families each in this overcrowded metropolis of 12 million.

British businessmen yesterday and Wednesday met their Chinese counterparts for trade talks, the first day on the royal yacht Britannia now moored in Shanghai harbour.

Shea said the talks were "enormously effective," with deals worth "hundreds of millions of pounds set under way."

The queen gave a return banquet on the Britannia last night for President Li Xianmin. Today, she leaves for the ancient capital of Xian to view the famous 2,000-year-old terra cotta warriors and then proceeds to the southern city of Kunming, known for its exotic mixture of ethnic minority groups.

Nobel physics, chemistry prizes awarded

STOCKHOLM (Reuter). — The 1986 Nobel physics prize yesterday went to three European scientists for their practical work in advance microscopy while the chemistry prize was won by three North American theorists working in frontier areas.

The physics prize was awarded to a veteran West German professor who invented the first electron microscope in 1933 and two younger

Swiss and West German scientists who later developed his ideas to produce a much more powerful instrument.

The chemistry prize was jointly awarded to Professor Dudley Herschbach, 54, of Harvard University, Professor Yuan Tseh-lee, 49, of the University of California, Berkeley — both in the U.S. — and Professor John Polanyi, 57, of the University of Toronto in Canada.

All the Nobel prizes, set up by the Swedish inventor of dynamite, Alfred Nobel, are worth two million Swedish crowns (\$290,000) each this year.

Professor Ernst Ruska, 79, of the Fritz Haber Institute in West Berlin took half of the physics prize while the rest of the money was shared between West German Gerd Binnig, 39, and Swiss Heinrich Rohrer, 53, who both conduct research for IBM in Zurich.

The work of the three in the field of microscopy is crucial for both the electronics industry and biological research.

Professor Sven Johansson of Sweden's Royal Academy of Sciences said Ruska's invention of the electron microscope had been one of the most important discoveries of the 20th century, vital for the study of viruses and bacteria.

Unifil studies protective steps

UNITED NATIONS, New York. — Representatives of the nine countries involved in the embattled UN Interim Force in Lebanon (Unifil) were to meet here yesterday to study new protection measures for the force, officials said.

The measures, proposed by Secretary-General Javier Perez de Cuellar, envisage spending an extra \$10.5 million on some 30 armoured vehicles, the reinforcement of 14 Unifil positions, creation of three new ones and the shifting of the present headquarters. (AFP, AP)

The electron microscope "feels" the electron composition of an object, thus creating an image. This differs from the much less powerful conventional microscope which uses a lens to magnify an image. It first went into production in 1939.

The technique has been used by the Swedish photographer Lennart Nilsson to give the world the first images of the conception and development of a human fetus in his award-winning film and book "The Birth of Life."

It was Binnig and Rohrer who developed the ideas used by Ruska to produce the first scanning tunnelling microscope. This uses a minute stylus to scan the surface of an object atom by atom.

The work rewarded in the chemistry prize has no immediate practical application, but deals with the very basics of how substances are transformed, according to the academy's permanent secretary, Professor Tore Ganelius.

The academy said the three chemistry prize winners had been honoured for their discoveries in the field of reaction dynamics that shed new light on how the many thousands of elements in nature react when their molecules collide.

This was essential for understanding — and eventually controlling — chemical reactions, the academy said.

The names of the winners of the last two Nobel prizes of the year — economics and literature — are to be announced today.

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Pope schedules multi-religious prayer day for peace

By LISA PALMIERI-BILLIG ROME (JTA). — An unprecedented multi-religious day of prayer for peace, the first ever called by a pope, and to be held at Assisi on October 27, will have deeper significance through Pope John Paul II's plea for a global ceasefire to last "at least during the entire day."

Several nations have already assured their cooperation, through diplomatic channels, reporters were told at a Vatican press conference last week.

Terrorists, too, are being asked to lay down their arms for 24 hours. The appeal is being made not only to nations in a state of formal belligerence but also "to those who seek to achieve their aims through terrorism or other forms of violence," the pope said on October 4, the birthday of St. Francis of Assisi, in whose pacifist spirit this meeting will be held.

"Of course we all realize that peace cannot be achieved by prayer alone, however essential it be," said Msgr. Achille Silvestrini, the Vatican's secretary of state.

"Prayer must go together with a conversion of the heart and an active commitment to justice," he said.

But the Assisi day of prayer hopes to offer an occasion for all, "including those engaged in liberation struggles or in terrorism, to reflect on the possibility of using other means to achieve their aims," said Silvestrini.

"Many men who resort to war and violence have religious consciences," he added.

On the 27th, 200 religious leaders will represent three and a half billion believers throughout the world, of whom roughly a third are Christians.

Other religious groups, such as the Bahai who are not recognized by the Vatican as a major religion, will be present for prayer at Assisi on their own initiative and with the Vatican's consent.

Representatives of the various religions will be together to pray, but will not pray together. This point has been abundantly emphasized in the context of a premise of reciprocal respect for the other's religious identity.

"Religious syncretism or even the appearance of syncretism will be rigorously avoided," said Cardinal Roger Etchegaray, president of the Pontifical Commission for Justice and Peace, which organized the Assisi day in cooperation with the Holy See's secretariat for promoting Christian unity and for relations with non-Christian religions.

However, Jewish members of the Israel Interfaith Association may participate as members of the International Jewish Committee for Interreligious Consultations (IJCIC), unofficial sources here disclosed, since Rome is less than a two hour's flight from Jerusalem.

To date, the only definite Jewish delegate is Rome's Chief Rabbi, Prof. Elie Toaff, who is considered Orthodox. He has already assured his presence, together with a *minyan*



The pope giving the Urbi et Orbi blessing on Christmas Day last year. (AFP)

of nine other Jewish males necessary for Jewish prayer.

"We would not be true to our Jewish ethos if we did not accept the invitation to join in a meeting of prayer for the peace we so fervently desire, or respond to this strong, moral plea for an end to terrorism, violence and war," a Rome Jewish community leader told us.

The prayer day is to start at 9 a.m. with a welcoming ceremony at the Church of Santa Maria degli Angeli in which the pope will speak and each religious leader be introduced. At 11 a.m. prayers will be held by the

different groups at separate locations in the town.

In the afternoon all will walk towards the Basilica and form a circle from which, symbolically, each group will step out consecutively and offer their traditional prayers for peace.

"Not simultaneous prayer, but rather unity of time, place and intention concentrated in the moments of silence between prayers will constitute this unique, worldwide 'togetherness' of religious forces," said Etchegaray.

At the end of prayers, participants will enter the main Basilica and receive olive branches from the pope.

Papal invitations for participation were divided between Christians and non-Christians. Jews were classed with Christians because of special theological ties, and because of historical reasons dating back to the 1965 Second Ecumenical Council. At that time, Cardinal Augustin Bea decided, as president of the secretariat for promoting Christian unity, to house the office for religious relations with Jews within his secretariat.

Catholics, Protestants, representatives of international Christian and interreligious peace organizations plus twenty bishops providing the pope's entourage, will constitute the roughly 130 Christian delegates. The remaining 70 non-Christians are leaders of Hinduism, Buddhism, Islam, Sikh, Shintoism, Zoroas-

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Photo album features Juliana's bridal wreath

Lace-makers to the Queen

By DEENA ZEIGEN

Special to The Jerusalem Post
A photograph of the majestic bridal wreath carried by Holland's Princess Juliana is one of many items pictured in an album prepared by the Jerusalemite granddaughter of the late Dutch lace-maker, Yitzhak van der Horst. Helen Hoffman, née Van der Horst, hopes to show the album to the visiting Dutch queen mother this week.

Yitzhak van der Horst's business, La Belle Dentellière, supplied hand-made lace items to the Dutch royal family from 1911 to 1938; among them was a lace ornament incorporated into Juliana's bridal wreath. Van der Horst also supplied the palace with curtains, bedcovers, clothes and, even, Queen Beatrix's christening gown.

During World War II, the Hague-based business closed when Van der Horst and most of his family were killed. His two granddaughters were hidden throughout the war by a gentle Dutch family, who also saved the girls' few possessions. Among these were receipts and letters exchanged by Van der Horst and the palace. This collection, together with royal invitations and pictures, was brought to Israel when Helen came here with the few remaining members of her family.

But for many years the collection lay untouched, until Hoffman's granddaughter started rummaging through the piles of envelopes bear-



Helen Hoffman.

ing the royal seal. It was then that mother and daughter began work on the album whose pages record the births and celebrations of the Dutch royal family.

There is a photograph of the lace covering for an expected male royal heir, another of the 1938 christening of Princess Beatrix, dressed in Van der Horst's hand-made gown; and photos of the finery and lace adornments of Princess Juliana's grandmother, Emma, together with notes containing messages such as these:

14.8.13: "By command of the Queen Mother, I am returning the white silk. The Queen asks that the cover's lining be made from

Japanese silk..." 4.1.38: "...a most expensive lace tablecloth is attached for cleaning. Please return it to the service of the Princess." Signed: "In the service of Princess Juliana, Mrs. Haemstere."

Hoffman has renewed and since maintained contact with the royal family over the years. When Queen Juliana cancelled her planned visit to Israel in the early 1970s, Hoffman wrote her explaining her connection to the Palace - saying she hoped to see the queen in Israel. The queen replied through the Dutch Embassy, and sent her a gift.

In 1980, at the reception held by the Dutch Ambassador to celebrate the coronation of Queen Beatrix, Hoffman aroused a good deal of excitement by producing an invitation sent to Van der Horst to attend Princess Beatrix's christening on March 12, 1938.

Hoffman, 47, has no desire to return to Holland. Two of her five children went on a visit to Europe earlier this year to rediscover the family's roots. All that is left of the family lace business, says Van der Horst's great-granddaughter, is an office building.

Hoffman will be meeting the former queen as a representative of the Dutch Immigrants' Organization. But she will be displaying her album to the princess as a living memorial to the Jewish Dutchman who supplied the royal family with delicate lace finery.



A photograph of Princess Juliana's bridal wreath.

And she will be dedicating the album to Juliana, whose reputation as an activist in saving Dutch Jews during the Holocaust earned her the respect and gratitude of Dutch-born Holocaust survivors.

Setting the record straight on Sephardim

By CHARLES HOFFMAN

The conventional ways of examining the attitudes of Sephardim to Arabs and the prospects of Middle East peace have held up a distorting mirror to Sephardic culture and history. This has contributed to a neglect of the Sephardic experience as a source of positive models for future co-existence with the Arabs.

These are the main conclusions of a recent study of the Sephardic community in Israel and the peace process by the Institute for Middle East Peace and Development at the City University of New York (Cuny), with a Ford Foundation grant.

The study's director, Amiel Alcalay, explained in an interview that probing political attitudes by public opinion polls is "confrontational." It "provokes people to vent their anger and frustrations," but fails to reveal other more moderate attitudes rooted in family experiences and cultural background.

These polls have consistently

shown that Sephardim take a harder anti-Arab stand than Israelis of European background, and this is seen as one of the main reasons for the predominant Sephardi support for the Likud.

But the Cuny study showed that when examined in a different way, Sephardic attitudes "run counter to the stereotypes attributed to them." The study shows Sephardim "to be an extremely pragmatic people... They seem absolutely certain that given goodwill, intelligence, mutual recognition, and the respect of all parties involved in a relationship, a solution can be achieved."

The study's authors concluded that a "Sephardic approach to peace" would be based on "pragmatism, secure belief in a strong Israel, and secure Jewish identity. The ability of the Sephardim to influence the peace process in this manner is connected to their attempts to improve their overall status in Israeli society."

In the study, 65 Israelis of Middle Eastern background, most of them of Iraqi or Moroccan origin, were interviewed in depth so that their political views could be understood in the context of their personal relations with Arabs; their family experiences in Arab countries and in their early years in Israel; and their personal links to Middle Eastern culture.

In probing this dimension of the Sephardic experience, the study found many positive recollections about life in Arab countries, although this was more prevalent among the Moroccans than the Iraqis. These included business ties with Arabs, neighborhood relations, close friendships, and a love of Arabic music and language.

The study noted a tendency to "compartmentalize" political attitudes and voting patterns from personal and cultural experience. One respondent said: "You see the Peace

Now people in the evening, and they sit separately from the Arabs. [But] the Oriental guy who said that he could kill Arabs sits together with them at night and sings with them."

Alcalay said that some of the extreme anti-Arab views found among high school pupils of Sephardi background were not necessarily learned at home, where more moderate attitudes prevailed. "We see this as part of their attempt to be accepted in Israeli society by conforming to what they see as the norm today."

One of the most striking findings of the study illuminates the link between cultural rootlessness and extremism among those born in Israel. It was found that a lack of awareness of their family backgrounds and histories often left young people without a "vision of a peaceful future and with no hope that the Arab-Israeli conflict is solvable." Many who have never "met or talked with an Arab see them - as an article of faith - as the enemy."

'Christmas' comes to Mea She'arim

By HAIM SHAPIRO

Jerusalem Post Reporter
The aroma is that of Succot, but the scene in Mea She'arim would remind any Diaspora Jew of Christmas.

In one shop, a string of coloured fairy lights blink on and off. Outside, a giant tinsel snowflake hangs among bright streamers, pink and blue bolls, and paper bells.

The annual Succot market at the heart of Jerusalem's ultra-Orthodox neighbourhood was less than half the size a few years ago. Nothing but the four species of the holiday, etrog (citron), lulav (palm), hadas (myrtle) and arava (willow) were sold there.

Since then, entrepreneurs have set up shops selling prefabricated succot, the booths in which Jews are commanded to dwell during the holiday, and the trade has also expanded to include the traditional pictures of Torah sages with which some decorate the succot.

The four species are still there -

during the relatively quiet morning hours, one can see ultra-Orthodox men closely examining the tips of the palm branches, the leaves of the myrtles or the tip (pitom) of the citron. For some, the more perfect the species, the greater the mitzva.

But in the evening there is bedlam. Traffic moves at a snail's pace as a policeman vainly tries to keep drivers from parking and double parking in a no-stopping zone.

A small boy runs across the street, oblivious of the cars, dragging a large piece of plywood.

The entire area is bathed in bright lights and recordings of popular religious music. All around are the tinsel and the coloured lights, made in the Far East, perhaps by Buddhists or Taoists, and used in the Christian West in December, with a small side-market in Israel in autumn.

But though the tinsel and the lights are the most visible part of the market, serious shoppers concentrate on choosing the four species.



A close-up view of two out-size etrogim (citrons) sold yesterday at the Mea She'arim market.

Fathers bring their children and go from shop to shop, comparing prices, quality and rabbinical seals of approval.

Aharon Cohen, who runs the stall set up by Habad, explains that this year, the Sabbath of Sukkot, there are special problems. Some Jews will only buy an etrog that was

picked before Rosh Hashana. Those are sold with the seal of approval of the ultra-Orthodox Beit Din Zedek (rabbinical court).

Cohen estimated that one could buy a "nice" set of the four species for about NIS 30. But for those in search of the perfect etrog, the price can be as high as \$100.

Long Day's Journey into Night opens in Tel Aviv

A feuding family with close ties

By MARSHA POMERANTZ
Jerusalem Post Reporter

Travelling together "enhances the relationships on stage," says actor Peter Gallagher, who plays the consumptive son in the visiting production of Eugene O'Neill's *Long Day's Journey into Night*, which opened last night at Habimah in Tel Aviv.

He was speaking at a press conference that four members of the cast gave yesterday at their Herzliya hotel, with Israel producer Bill Zam Stron.

It's hard to know what "enhance" means in a play that depicts a savage feuding family of "three drunks and a dope addict" as lead Jack Lemmon describes it. But, said Gallagher, "being strangers in a strange land cements our bond."

The original five-member Broadway cast arrived here on Tuesday for 12 performances in Tel Aviv. Their itinerary has included North Carolina and Washington, for previews, then New York for a two-month run, London's West End for another two months and a vacation in Paris before coming here.

From Israel, they return to the U.S., then go to Toronto to tape the production for cable TV - Home Box Office.

The TV version will be directed by Jonathan Miller, who did this stage production and has been praised for bringing O'Neill back to life with overlapping dialogue and more humour than is usually evident in the autobiographical play.

There was some talk of taking this neurotic Irish stage family to Dublin, but the theatre available was too



Jack Lemmon makes a point at yesterday's press conference.

(Seigler/Israel Sun)

large to afford the necessary intimacy, Lemmon said. His friend Walter Matthau - his partner in *The Odd Couple* - was disappointed that the production couldn't go from Tel Aviv to Dublin, because, as Lemmon quotes him, "The Jews invented guilt but the Irish raised it to a high art."

Aside from some ironic smiles, the members of the cast were all highly complimentary to each other, to the playwright, to the director, to the U.S. producer Emmanuel Ayzenberg and Bill Stron.

Kevin Spacey, who plays the Tyrone's older son, pointed out that

it's rare for the whole cast to go on the road together, and that even after six months, the play is tough enough so that "you can't just walk through it."

Jodie Lynne McClintock (Cathleen) for whom *Long Day's Journey* was the first Broadway role, says this has been an opportunity to see what it's like "holding out over a long period, living with this [stage] person and with yourself."

The understudies have come along; only Lemmon doesn't have one. Spacey jokes: "If Jack is sick, Bill Stron goes on." Said Stron: "If Jack is sick, I go under."

Successor to CAT

Israel gets first advanced scanner

By JUDY SIEGEL

The first nuclear magnetic resonance (NMR), scanning device will be established at Hadassah-University Hospital in Jerusalem, following official approval this week by Health Minister Mordechai Gur.

The NMR, a very expensive device that scans the body, will be the first operating in Israel. It is a much more sophisticated version of the CAT (computerized axial tomography) scanner in use in several hospitals.

Gur, in one of his final acts before resigning his post at rotation, gave Hadassah and Elscint Ltd., the manufacturer, the go-ahead to start the first phase of a project that will create an international technological-medical unit at Hadassah.

His decision follows an agreement reached between Prime Minister Peres and French President François Mitterrand on establishing the centre as a joint French-Israeli project.

In a meeting with Hadassah Medical Organization Director-General Prof. Shmuel Pincus, Gur said that the unit would be a leader in medical research and treatment in Israel.

The unit will eventually conduct research using positrons, radioactive particles that make possible the filming of drugs and their action on the body.

The hospital will acquire a cyclotron and a positron camera for watching the physiological processes in the body and the effects of drugs in

treating people. Radioactive isotopes will be produced at Hadassah and used to check the efficacy of the drugs.

A number of international drug companies have already expressed interest in the research to be conducted here.

The positrons that will be produced in the unit will be used to study the brain tissue of animals - a process that can help predict the success of vascular bypass surgery in the brain.

Prof. Henri Atlan, head of the hospital's nuclear medicine department and an expert in positron theory and research, says the new unit will lead to the development of many new medical techniques and treatments.

German expert:

'No proof Israel has bomb'

By YA'ACOV FRIEDLER

Jerusalem Post Reporter
HAIFA. - "If Israel wants to develop nuclear power for peaceful purposes with foreign equipment and help, it is clear that you will have to sign the nuclear non-proliferation treaty. But if you want to build a reactor on your own you would not be obliged to do so," Prof. Wolf Haefele, head of the giant West German Nuclear Research Institute at Jülich, near Aachen, told the press at the Technion yesterday.

He said he had not been "excited" by the recent London *Sunday Times* "revelation" of Israel's alleged manufacture and stockpiling of nuclear weapons "because there was no reason to get excited about the story. I have no knowledge to indicate the report is true or to prove it to be true," he said.

Haefele is here with a small group of scientists from his institute and the

nearby University of Aachen for a three-day conference with Technion scientists on problems of radioactive and fossil fuel waste disposal, water management and future energy sources.

He said that despite the set-back of the recent Chernobyl nuclear power station disaster, "We cannot afford not to continue developing nuclear energy."

Chernobyl had been a failure not of technology but of the operators, he said, adding: "We must pursue nuclear energy development, but slowly and prudently."

He also argued that fossil fuels were now seen as posing a mammoth pollution problem - perhaps even threatening to cause potentially disastrous climatic changes. Therefore, he said, "We must compare the disadvantages" of fossil fuels and nuclear power.

Municipal workers caught poaching JNF's trees

By MYRA NOVECK

The Jerusalem Municipality has been asking residents this week to protect public greenery from poachers in search of s'chach (succot roofing). But when border police caught poachers in the Ramot Forest yesterday they found that they were municipal workers.

Jewish National Fund inspector Yisrael Peled said that several dozen five-year-old trees had been uprooted and hundreds of trees damaged by reckless cutting. "It's a blot on the landscape that will be here for years," said Peled. He said he had discovered the workers during his annual pre-Succot check of forests on which he is accompanied by border policemen.

According to a JNF spokesman, the border police arrested 40 workers who were released after city officials arrived on the scene.

Municipal spokesman Rafi Davara said that the crew, from the city's urban improvement department, had mistakenly chosen an unauthorized spot for the trimming. The work had been part of the city's efforts to provide free s'chach to city residents. Davara claimed that the workers had merely trimmed the branches and had caused no irreparable damage.

Davara said that department head Yoel Marinov had formally apologized to the JNF, and that the crew foreman had been reprimanded.

Two year rivalry between Rabbis Eliahu, Yosef ends

By HAIM SHAPIRO

Jerusalem Post Reporter
The long-standing rivalry between Sephardic Chief Rabbi Mordechai Eliahu and his predecessor, Rabbi Ovadia Yosef, came to an end on Erev Yom Kippur, an aide to Eliahu told *The Jerusalem Post* yesterday.

The feud began over two years ago when Eliahu agreed to stand for election to the post, while Yosef was barred by law from running for reelection. Yosef and his followers had hoped that the position would remain empty, rather than be filled by another.

Since the election, Yosef has continued to wear the robe and hat traditional to the office. His many followers, who consider him the out-

standing Tora scholar of this generation, have continued to refer to him as the *Rishon Lezion*, the historic title of the Sephardic chief rabbi.

Eliahu has tried to downplay the friction. For example, he has not worn the traditional gown to functions where both he and Yosef were due to be present.

But on Sunday, only hours before Yom Kippur began, Yosef called Eliahu at home and asked for a meeting. The two met at the Porat Yosef yeshiva, which Yosef heads. As usual, Eliahu did not wear his robe.

The two asked each other for forgiveness and Yosef gave Eliahu his latest book, bearing an inscription "To the *Rishon Lezion*."

Police inquiry into fatal Eilat shooting

By JEFFREY WINOGRAD

EILAT. - Police have launched an internal investigation into the fatal shooting on Monday night of Yosef Acran, 30, gunned down by police on the stairwell outside his flat here.

A police spokesman told *The Jerusalem Post* that while the officer who fired the fatal shot "had no alternative, since the lives of other police officers were in danger," a formal investigation must still establish that the officers involved "followed correct procedure before firing their weapons."

Acran, wanted for possession of a stolen weapon, entered his block of flats on Yom Kippur.

At about 9 p.m. that night, two police officers were admitted to Acran's apartment by a friend of his. But they found no trace of Acran, who had just climbed up an airshaft to the roof of the building.

Acran pulled a gun when he spotted police on the roof, and, although one policeman fired three warning shots, he fled down the staircase.

Two policemen were on the staircase when Acran, gun in hand, reached the third floor landing outside the door of his flat.

The police fired several shots and Acran, who was hit at least twice, died shortly after arrival at nearby Josephat Hospital.

Tel Aviv rape suspect remanded

By YORAM GAZIT

For The Jerusalem Post
TEL AVIV. - The man held on suspicion of committing 16 rapes, attempted rapes and indecent acts was remanded for a further eight days by the Tel Aviv Magistrates' Court yesterday.

He has been held in custody for the past 45 days. The 36-year-old suspect from Ramat Gan, married and a father of two, was arrested a month-and-a-half ago when caught peeping into the first floor apartment of a woman living alone on Tel Aviv's Sderot Chen.

The man, who is connected with the theatre world but whose name may not be published, has also been charged with the rape of a 17-year-old Ramat Gan girl on August 20.

Following his arrest, the suspect was identified by the girl in a police line-up. According to the police, he admitted to five rapes and attempted rapes.

The police representative told the court that the suspect had been advised by his new attorney, Menahem Rubinstein, to insist on his right to remain silent and that he had since stopped cooperating with the police.

Rubinstein asked the court to send his client for examination by a psychiatrist of his choice.

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Sizing up their prospects

Jerusalem Post correspondent David Horovitz reports from London on the strength of Britain's major parties, with elections thought likely within a year



David Owen (Camera Press)



Margaret Thatcher (Joel Fishman)



Neil Kinnock (AFP)

THE OPINION polls put Labour two or three per cent clear of the Conservatives. Social Democratic leader Dr. David Owen is considered the best candidate for prime minister by over half the electorate.

Neil Kinnock ended a highly-successful Labour Party conference in Blackpool some three weeks ago professing readiness for an election as soon as possible.

As if the above facts weren't giving Mrs. Thatcher enough trouble, she also tripped over a manhole cover during last week's Conservative Party conference in Bournemouth, prompting a rather rude cartoon in one national paper to the effect that the only thing wrong with the offending manhole cover was that someone had forgotten to remove it.

Common wisdom has it that Thatcher will call an election within the next 12 months, probably next summer. Labour's conference suggested that Kinnock and Co. think she has no chance of winning it.

Yet Thatcher's keynote address to her party asserted that the Conservatives would stay in power until the year 2000. So how well-placed is Thatcher's confidence?

First, let's take a look at the opposition.

After their party conference a month ago, and Dr. David Owen's particularly impressive performance, many pundits were suggesting that the Social Democrat-Liberal

Alliance was well on the way to regaining its credibility, presenting a real third alternative to Labour and the Conservatives.

But the Liberals put paid to all that a mere week later, shooting the Alliance defence policy down in flames and thereby in the process embarrassing party leader David Steel, and proving that the Alliance show of unity is little more than skin deep.

Labour, by contrast, can look back on a wonderful conference showcase, with the Militant trouble-makers quickly booted out, and applause for almost everything Neil Kinnock said.

Labour's policy on nuclear energy looks like being a tremendous vote-loser, however, committing Britain to an eventual phase-out of nuclear power, with all manner of potential repercussions for the Nato alliance. Most political observers consider the Labour goal of a nuclear-free Britain as plain silly, unrealistic, and an invitation to the Russians to invade.

Another likely electoral turn-off is Labour's policy of renationalization. The Conservatives are having a field day just now selling off national assets to the general public, British Telecom and the Trustee Savings Bank have gone, British Gas and the British Airways Authority are up and coming. And all the shareholders, present and future, of course, are members of the voting public, none of whom will be keen to see their newly-acquired, highly-profit-

able holdings taken away from them by a Labour government. That makes anything up to 10 million voters with a pecuniary interest in seeing the Tories safely through to a third consecutive term.

And to hammer one more nail into Labour's coffin, there is widespread scepticism as regards the exorcism of the Militant ghost. Although the radical left-wing element was despatched with some alacrity from Blackpool, it is said to be extremely strong at grass-root level, particularly among party youth. Its adherents regularly win headlines with calls for more gay teachers, better treatment for lesbians, and other examples of reverse discrimination that do not go down well with the general public.

Many voters, what's more, have not forgotten how easily "Red" Ken Livingstone somehow usurped the moderate Labour GLC (Greater London Council) leadership candidate, to leave electors with a leader they had never heard of, let alone voted for.

With all these clouds on the Labour horizon, perhaps Kinnock's confidence is slightly exaggerated.

STILL, all is not roses on the right side of the fence either. The Conservatives are still reeling from the Westland helicopter fiasco which saw two top ministers—Leon Brittan and Michael Heseltine—hand in their resignations in January. Unemployment is still soaring,

Chancellor Nigel Lawson is increasingly disliked in the city, and the government faces mounting criticism over the apparent run-down of the health and education services. Add to that a junior health minister by the name of Edwina Currie who has a marvellous knack of putting her foot in it when discussing north-erners' eating habits, and the Conservatives have, pardon the pun, ample food for thought.

At last week's Bournemouth conference, the Tories sought to put the record straight. Their basic message was that, despite what the opposition said, the Conservatives cared for Britain.

Former West German chancellor Willy Brandt had told Labour the week before that Conservatism is a gross charade whose weakness is that "its champions promise to a majority what only a minority will ever get."

At Bournemouth, the government tried to prove Herr Brandt wrong, promising imminent economic growth and help for the jobless, denying that the education system was worsening, and quoting statistics to show that the health service was not about to collapse. Health Minister Norman Fowler, in fact, won the best reception of the week when he produced a computer print-out listing the hospital building programme, and hung it over the edge of the lectern "so that the (Labour) Daily Mirror photographer can get a good view of it."

Margaret Hilda Thatcher, of course, remains at once her party's greatest potential asset and liability. Even those who can't abide her admit to a grudging respect for her resolution, sense of responsibility and sheer guts. But her image as unrelenting, uncaring and insincere still dogs her, despite the elocution lessons and softer hair-styles. It was almost a relief to see her trip on that manhole cover; so she is human after all.

If Thatcher can manage to shed that cybernetic image, her personal popularity will rocket, and that can only help her party's chances of electoral success. On balance many believe that the Conservatives' prospects are already fairly good. As Leon Brittan told *The Jerusalem Post* only last month, everyone criticizes the party in government—it's the thing to do. When it comes round to voting they think a little harder.

Kinnock's infectious Welsh grin may have Labour smiling at the moment, but the Conservatives, though down in the polls, are far from beaten.

The party's grit was never better symbolized than by the return to the public stage of Mrs. Margaret Tebbit, wife of party chairman Norman. Paralyzed and wheelchair-bound after 1984's Brighton conference IRA bomb attack, she sat on the leadership platform, smiling and waving, to welcome the Tory delegates to Bournemouth.

Wiesel, each party-goer contributed a minimum of \$50,000. Eclipsing such modest sums, a joint gift of \$1 m. was announced by Lew Wasserman, head of the MCA entertainment conglomerate which owns Universal Studios, producer-director Steven Spielberg, and philanthropist Ted Field, who hosted the event. The story of Nazi-hunter Beate Klarsfeld and her French-Jewish husband Serge, has been turned into a two-hour television movie, which will be shown nationally over the ABC network in late November. The film was shot in Paris and Nice and the Klarsfelds are portrayed by actors Farrah Fawcett and Tom Conti.

ONE of the best ways to keep up with the stars is to read about their housing problems in the real estate section of the *Los Angeles Times*. For instance, Frank Sinatra has decided to live in the posh desert community of Rancho Mirage and his Beverly Hills home can be had for \$3 m.

Though the home is 30 years old and small by megastar standards, it has a great mountain-top view and is in spotless condition, says realtor Mike Silverman.

Joan Collins, the star of *Dynasty*, has met her immediate needs by purchasing a 1,200 square metre mansion appropriate to her television role. The place, also in Beverly Hills, was built in the early '60s by the late British actor Laurence Harvey.

Apartheid doesn't stop Golan

HOLLYWOOD LETTER
Tom Tugend

Among Cannon's promised future attractions is *The Hunted* about the son of a Detroit cop and a young Israeli girl who try to protect an American businessman, hiding from the Mafia in Israel. Watch your neighbourhood screens.

IF GOLAN's heavily accented English and independent ways remind some oldtimers of the great Sam Goldwyn, the son of the late mogul is carrying on in the family tradition of quality pictures.

SAM Goldwyn Jr., now 60, specializes on distributing small budget and off-beat pictures likely to appeal to the more sophisticated movie-goer largely ignored by the major studios. SOME of Hollywood's really big money, the men who run the studios and theatre chains, showed up at a low-key backyard party and raised \$4 million for the U.S. Holocaust Memorial Museum in Washington. Inspired by a brief address by Elie

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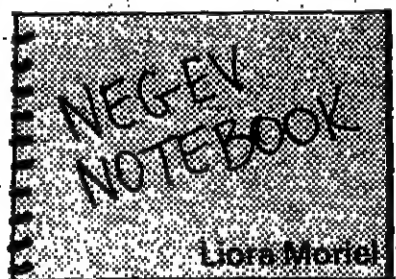
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They shared a crazy dream



FOR THE 1,400 workers at Negev Phosphates Ltd. in the heart of the desert, phosphates are the bread of the land, and many signs at the company's two sites proclaim this. Recently, the workers showed that they were the salt of the earth as 50 pensioners came to visit their colleagues who are still labouring.

It was an exceptionally hot day, but nobody sent regrets—one even arrived in a wheelchair. Hats were issued to all and a constant supply of soft drinks followed the visitors as closely—and as discreetly—as the ambulance.

Many of the pensioners had come to work right at the beginning of the mining operations 35 years ago, when a shack and a few tents were put up in the middle of the Zin wilderness. There were no paved roads and it took three hours to get to Yeroham—just a short distance away over the great crater.

Today, there are two major mines and a third, near Arad, is being surveyed. The company is Israel's largest earth-moving enterprise, eating away at 35 million tons of soil a year to extract 2.5 m. tons of phosphates, mostly for export.

During their guided tour, the pensioners were visibly impressed at the progress made since "the old days." "The plant works 24 hours a day the year round, because a machine worth \$4m. must work all the time," explained Aharon Merom, the Zin plant's production manager. Powerful projectors light up the mine at night. The mine is everywhere, a 10-square-kilometre sweep of soil.

One problem is the railroad, which stops working on Shabbat and on holidays. This means that much material must be stored, to the tune of several thousand dollars a month. Another costly snag is the grinding mill, "the bottleneck." The company is now investing \$100,000 in a new, improved crusher, which can grind more than the present limit of 1,000 tons of earth an hour.

Slowly but surely, Merom told the attentive pensioners, Jordan has overtaken Israel in exports and production. It has been able to utilize the seemingly never-ending Iran-Iraq war to its advantage: the ships carrying arms to Iraq pick up phosphates for Europe on the way back.

But Israel's numbers are impressive enough to these men and women who remember the early years of trials and tribulations. Now, some 144 boxcars carry 7,000 tons of phos-

phates in seven trainloads to Ashdod port every day, and a handful of trucks ferry a small amount to Eilat.

THE PENSIONERS, however, are primarily interested in human, not mathematical figures. At each stop, they alight and hug their former colleagues or, if enough time has lapsed, the young strangers now doing the work they once loved.

Yitzhak Malul, who came to Dimona in 1956 from Morocco, immediately went to work at Negev Phosphates. He drilled wells and was responsible for the plant's generator. "At midnight, I had to shut it off and then, to make sure nobody got lost in the dark, I asked them to hold hands and follow me," he recalled. Today, his son Avi is the chairman of the work council and is proud to continue his father's pioneering spirit.

Elihu Avihav is 72 years old but doesn't look it. He jogs daily and, he said, is looking for a job to keep him busy. Born in Turkey, Avihav spent several years in Egypt with his wife before coming to Israel in 1953. They settled first on one, then on another kibbutz, but gave up the idea and moved south. Soon, Avihav became the chief clerk at Negev Phosphates.

Sultana Israel is also looking for a job—right back where she left off five years ago. "I saw the old laboratories I used to clean and I'd like to keep on cleaning them," she said. Nobody was really sure that this vivacious woman was old enough to retire. When she came to Israel in 1956, a widow with 5 children, the authorities decided she had been born in 1919. Today, while she is living on a small pension and babysitting for her 20 grandchildren, her elder brother still has 3 years to go before retiring from his work!

The theme voiced repeatedly by these old-timers was uniform: "It was hard work, but I loved it." They enjoyed the camaraderie, the feeling that they were lending a hand to realize a national dream as important and, at first, as crazy as the greening of the desert.

This company's directors, aware of this spirit, decided last year to set up the country's first "preparatory course for would-be pensioners." In several sessions with the company's head of personnel and the social affairs coordinator, they were guided to the eventual break with their hardworking but rewarding life and given tools to make the best of the more leisurely life ahead.

Over a sumptuous lunch in Dimona at the end of the tour, each pensioner received a medal and a photo album. A photographer was on hand to commemorate the occasion.

The company has decided to continue its courses for would-be pensioners and also to fund the golden age club in Dimona, where the majority of the pensioners live.

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Conquering Mahler

MUSIC

The Israel Philharmonic Orchestra, Zubin Mehta conducting, with Sylvia Greenberg, soprano, Florence Quivar, mezzo-soprano, the Tel Aviv Philharmonic Choir and the Ihud Choir (Mass Auditorium, Tel Aviv, October 13). Sheriff: "A Vision of David": Mahler: Symphony no. 2 ("The Resurrection").

THE long, challenging Mahler route the Philharmonic is taking this season is no paved road. Rather, it's like storming one mountain-top after another—with the tremendous dangers and pitfalls all along the way. The goal reached, however, nothing remains the same any longer, as the new dimensions, colours and sheer magnitude of achievement take one's breath away.

On its first climb, the orchestra, led by Zubin Mehta, reached dizzying heights indeed. The "Resurrection" symphony is a monumental essay in five movements, lasting some 80 minutes, and given the opulence of its score, the performance may be prone to losing the long line of development.

Not with Mehta. The IPO music director paced the music with magisterial dignity, bringing the myriad expressive elements to their inevitable climax in the finale. Textures were kept crystal-clear—no thick wash or over-indulging in niceties in the process. In fact, the first two movements, if taken by themselves, might have even appeared a bit ascetic; such treatment, however, was fully vindicated in the overall context. For all the climactic explosions and emotional gravitations, Mehta's reading had an almost Beethovenian clarity and definitiveness.

Needless to say, this interpretation demanded a maximal effort of practically every player. And the orchestra rose to the challenge: from the heart-breaking solos of the concertmaster, Haim Taub, all the way down, the playing proved perfect, as did the balance between various sections.

The mezzo of Florence Quivar, at once powerfully intense and velvety deep, made the "Urlicht" movement a deeply moving spiritual experience. The soprano Sylvia Greenberg, too, made a valuable contribution in the finale.

The Tel Aviv Philharmonic Choir and the Ihud Choir never sounded better.

While understandably more modest in every respect, the opening of *A Vision of David* by Noma Sheriff, composed in honour of Ben-Gurion's birth centenary, proved a genuinely pleasant work to listen to. The hand of a crafty and brilliant musician could be felt throughout: in the sparkling orchestration utilizing some exotic effects (such as the lyric solo by a double-bass accompanied by the other basses or the dramatic juxtaposition of a string quartet and the brass), in the clever use of thematic development and the overall formal logic. If the basic material remained fairly close to the popular Israeli melos, its sophisticated rhythmic treatment provided dynamism and tension. The recorded excerpts from Ben-Gurion speeches did not add much to the music. They did not detract a great deal, either.

The Israel Philharmonic Orchestra, Zubin Mehta conducting, with Gila Yaron, soprano, Christoph Homberger, tenor, Conal Coad (New Zealand), bass, and Heinrich Schuetz-Kreis Choir (Berlin). (Tel Aviv Museum, October 11.) Haydn: The Creation.

THE never-ending marvel about *The Creation* by Haydn is how immense a poetic-musical universe he created in this oratorio. From the desolation of the initial chaos to the exaltation in divine might as step by step the world is created, the composer conjures a spectrum of images and emotions that are awe-inspiring in their profundity and diversity. Even by Haydn's own standard, the musical language of the oratorio is remarkably powerful and resplendent in colour; in many respects, it may be seen as a summation of the composer's long musical journey.

For all that, it is a pleasurable work; its grand content notwithstanding, this is music to enjoy.

All of which means that on stage *The Creation* has all the attributes of a winner. (Indeed, according to historians, it always has been since its very first presentation.) And it made the opening of the Sinfonietta's season a festive occasion, precisely as billed in advance.

Mendi Rodan led a tight, convincingly paced performance, paying due attention to the many spots of special significance and yet preserving the overall flow. The mood changes emerged sharply defined and the balance between the performing elements—in the ensemble numbers in particular—was kept in good check.

AMONG the fine international soloists' cast, the sensitivity and musical intensity of the tenor, Christoph Homberger, shone. So idiomatic and expressive was his delivery of the archangel Uriel's part that the images seemed to transcend the wordy bounds and come into a life of their own.

In the double part of Raphael and Adam, Conal Coad proved more impressive as the former. The dark, dramatic—and vocally lower—recitatives and arias were imbued with great depth and inner power. The lyric lines of Adam, on the other hand, suited his bass less. (Although the part of oratorio depicting Adam and Eve happens to be weaker than the rest of the work.)

Gila Yaron sang the parts of Gabriel and Eve with strong lyric feeling, admirable vocal skill and a flair for virtuosic embellishment. Her problem was the volume: against massive choral or orchestral background, as often was the case, the soprano sounded either not sufficiently dominant or showed unmistakable signs of strain.

The Heinrich Schuetz-Kreis Choir was everything one could ask for: precise, brilliant, and rich in both dynamic range and sound-colour palette.

The numerous woodwind and horn solos and other difficult orchestral passages came off flawlessly. In the more routine sections, however, the going at times became heavy and the precision flagged. An anonymous harpsichord player handled the continuo part with confidence, allowing for a dependable rhythmic and harmonic background throughout. ELI KAREV

CHAMBER MUSIC EVENING—Bach sonatas for violin and piano, Joseph Brodsky, violin, with Eli Freud, harpsichord and piano. (Halle Museum, October 7.) Sonatas no. 1 in B minor, no. 2 in A major, no. 3 in E major.

BACH'S STYLE rests firmly on the foundation of the 17th-century German polyphonic writing, his melodies are complemented by beautiful, daring resultant harmonies built up into units which possess an internal balance, creating a mighty sense of structural perfection.

The three sonatas are quite alike in their four movements: the slow opening, a fugue, the expressive, slow third movement and the ending rhythmic, light movement.

The presentation was mostly clean and clear in texture. Bracker played with precision, applying good technical abilities and musical phrasing. For variety, Freud performed both on the harpsichord in the first sonata, and on the piano, an equal partner in the polyphonic structure of the compositions. His piano voice was clear and accurate.

In all there was a fine coordination between the musicians. In the first composition, however, they performed somewhat tentatively and lacked personal involvement. The following 2 sonatas had more vitality and quality of tone.

The musicians added to the Bach programme a Handel sonata for violin and piano (in A major), and they gave an enjoyable presentation.

The recital was organized by the Israeli Bach Society, whose chairman is Eli Freud.

ESTHER REUTER



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Hungry for arms, Teheran pays through the nose

IRAN, outgunned by Iraq in the 6-year-old Gulf war, is spending billions of dollars in secret deals for warplanes, missiles and other hardware to beat a U.S. arms embargo, military analysts and U.S. officials report.

So desperate are the Iranians that in one recent deal they even bought back, perhaps unwittingly, U.S.-made M-48 tanks and other weapons that the Iraqis had captured from Iranian forces, informed Western sources said.

The Iraqis put the weapons on the market because their armed forces are mostly Soviet- and French-supplied and could not easily adapt to the captured arms, said the sources, who spoke on condition of anonymity.

That bizarre deal, conducted through Swiss intermediaries, cost hard-pressed Iran \$100 million, with \$10 m. going to the brokers in commissions, the sources added.

"It shows just how frantically the Iranians are looking for heavy weapons anywhere they can get them and how much they're ready to pay even though they know they're being grossly overcharged," commented one of the sources involved in the arms deal.

As Iran masses as many as 650,000 men along the battlefield for a long-heralded "fateful offensive," this hardware could help even the odds against Iraq's superiority in aircraft, tanks and artillery.

In the past year, military specialists say, Iran has taken delivery of significant amounts of weaponry from North Korea, China, Libya, Syria, Brazil and Europe's arms market.

The Israeli government denies it, but European, U.S. and Arab sources say even Israel has aided the Iranians. Analysts believe that the Israelis consider it in their interest to keep two of their Moslem enemies, Arab Iraq and Persian Iran, at each other's throats.

"There has been a dramatic increase in the number of suppliers and there are supplier groupings and interests which are not easily explained along standard political lines," the Stockholm International Peace Research Institute, which keeps track of international arms deals, said in a recent report.

One of the Pentagon's top analysts watching the Iran-Iraq war said that Tehran's main arms pipelines run from China and North Korea by sea, and from Eastern Europe by air through Damascus, Syria, or by sea.

"These two pipelines are good. They're reliable. The Soviet Union is certainly doing some double-dealing through its allies in Eastern Europe selling stuff to Iran as well as Iraq," said the analyst, who spoke on condition he not be named.

China denies it is selling arms to Iran. But U.S. officials have said the Peking government has begun providing Iran with J-7 fighters, an improved version of the Soviet-built MIG-21.

Like Moscow, Peking also sells arms to Iraq. \$1.5 billion worth in 1979-83, says the U.S. Arms Control and Disarmament Agency.

THE RESPECTED International Institute of Strategic Studies in Lon-

ED BLANCHE
CYPRUS

don reports that China agreed in March 1985 to provide Iran with at least 50 J-7s, along with tanks, artillery, multi-rocket launchers and surface-to-air missiles in a \$1.6 billion deal.

Some Western military specialists believe Iran has already taken delivery of a dozen J-7s, apparently shipped through Pakistan. They would be the first replacement combat planes Iran has received since the war began in September 1980.

Against Iraq's estimated 500 warplanes, Iran now has only 60 to 80 serviceable combat aircraft, Western specialists and Arab diplomats say.

The Iranians have a 3-to-1 edge in manpower. But their military capabilities are limited by equipment shortages caused by heavy combat losses and a lack of spares - from microchips for computerized weapons systems to gun barrels for artillery pieces.

The U.S. imposed its arms embargo in 1979 after Iranian revolutionaries stormed the U.S. Embassy in Tehran and seized diplomats as hostages. The embargo also bars third countries, such as Israel, from passing on U.S.-made military hardware to Iran.

'Missile deals underline just how much Iranians are prepared to pay. A TOW costs about \$6,000 - the Iranians reportedly paid \$16,000'

Before Shah Mohammad Reza Pahlavi was toppled by Ayatollah Khomeini's revolution in 1979, the Iranian arsenal was filled with American-made weapons. Once the embargo was ordered, Iran was forced to turn to the black market to maintain these U.S.-built warplanes and other weapons systems.

THIS BACK-channel supply system seems to have succeeded and may be reflected in Iran's increasingly aggressive battlefield tactics, analysts say.

But two major illegal arms pipelines, said to have involved more than \$3 b. in deals, were shut down by U.S. authorities in recent months.

Seventeen people are awaiting trial in the U.S. for allegedly planning shipments to Iran that included F-4 Phantom fighter-bombers, F-5 fighters, C-130 transport planes, 200 Python air-to-air missiles, cluster bombs, howitzers, tank engines and 7,000 shoulder-fired TOW anti-tank guided missiles.

Among the defendants are retired Israeli army Gen. Avraham Bar-Am, two private Israeli arms deal-

ers, and Samuel Evans, a London-based American lawyer who allegedly was tied to three other conspiracies to ship jets, missiles and other weapons to Iran.

Many of the arms were to have been shipped from Israel with false papers listing Turkey and the Philippines as destinations, according to prosecution documents.

Denmark's industry ministry has asked police to investigate allegations by that nation's seamen's union that a Danish freighter carried weapons from the Israeli port of Eilat to Iran's Bandar Abbas port four times over the past year.

Israeli officials deny such shipments have been made, and say Bar-Am was not authorized to sell Israeli weapons.

In a second major case, U.S. federal agents broke up a U.S.-based ring that for 4½ years had diverted Navy F-14 aircraft parts to Iran.

DESPITE THESE setbacks to Iranian arms procurement, military specialists in Washington and London say Iran has acquired large quantities of the U.S.-made TOW anti-tank missiles, essential to combat Iraq's preponderance in armor. The missiles have been bought from European stocks through arms dealers, often via Libya or other third countries listed as the "end users" on official export licenses.

The missile deals underline just how much the Iranians are prepared to pay. A TOW normally costs about \$6,000, but the Iranians reportedly paid \$16,000.

Sometimes the prices demanded by arms dealers are too high even for the Iranians, whose oil-exporting economy has been hard hit by the drop in world oil prices.

One well-informed Arab source said Syria negotiated with Belgian arms brokers for 150 self-propelled and towed 155-mm artillery pieces for Iran. But the deal fell through when the Belgians doubled the market price to \$1 m. apiece.

Israel is not the only close U.S. friend reported to be supplying Iran. The Stockholm International Peace Research Institute says U.S.-armed South Korea has provided American-made air-to-air missiles for Iran's F-4 Phantoms.

Informed sources say that on recent visits to Argentina and Brazil, Iran's foreign minister, Ali Akbar Velayati, sought to wrap up arms deals with those arms-producing nations.

British legislators, meanwhile, have pressed Prime Minister Margaret Thatcher's government to investigate reports that the command centre of Iran's arms quest in Europe is the London office of the National Iranian Oil Co.

The British so far have taken no apparent action on the allegations. A ranking source in the anti-Khomeini Iranian National Resistance Movement in London said the weapons-procurement effort there continues. "The survival of the Khomeini regime goes hand-in-hand with sustaining the war against Iraq," he said.

(Associated Press)



One of the giant ships in the U.S. Sixth Fleet paying a courtesy call at Haifa

(Oded Stopenitz)

Home-away-from-home

THE LONG arm and helping hand of the United Service Organizations (USO) has - as of a couple of months ago - reached into smart new quarters in Haifa's Panorama Towers, where American servicemen feel they are at home-away-from-home.

The USO is a voluntary American outfit dedicated to helping U.S. soldiers - wherever they may be. It runs over 150 centres worldwide, and the Haifa one, which has a smaller, ad hoc branch in Ashdod, was originally established in December of 1984, at the recommendation of the then commander of the U.S. Sixth Fleet, vice-admiral Edward Martin, to serve the growing number of the Fleet's men who come there for a bit of rest and recreation.

The Haifa office, one of the USO's 30 Fleet centres in port cities of the Mediterranean, is a little different because Israel is a little different and more than just another country to visit. Its people have opened their hearts and homes to the men of the

YA'ACOV FRIEDLER
Jerusalem Post Reporter

Sixth Fleet. Centre director, Gila Gerson, has already been appointed as the unofficial "Jewish Mother of the Sixth Fleet" by the tens of thousands of men who have visited Haifa in dozens of ships - from giant, nuclear-powered aircraft carriers to salvage vessels - over the past few years.

At 36, Gerson is quite a young mother at that, especially as none of her "boys" are under 18 (without going into just how old the admirals come). Actually, she has three daughters of her own, all younger than the boys.

The new premises in the Towers boast 120 square metres of floor space - a big improvement over the little office the centre formerly used in the Gan Ha'em Park.

In addition to the standard canteen where Haifa residents can come

to invite the sailors for the "real" home cooking they so greatly appreciate, the centre also includes a duty-free souvenir shop selling knock-knacks of the Holy Land; a bookshop; a TV and video room with film on Israel; and a travel office. The centre is manned for the most part by a staff of volunteers.

Gerson considers herself a liaison officer between the two cultures and creating communication between them.

"I put much store on the men touring as much of Israel as is possible during their stay. We can't offer them a big country but we can offer nice people," she told *The Jerusalem Post*, "and they appreciate it."

Gerson, who grew up on Kibbutz Yad Mordechai, spent several years in the U.S. while her eldest daughter received medical treatment. On her return, she got a job doing public relations for the Dan Carmel Hotel in Haifa. There she met officers and men of the Sixth Fleet whose fami-

lies stayed in the hotel for the duration of their Haifa visit.

"I was shocked at the misinformation about Israel they brought with them. I particularly recall a nine-year-old girl from Norfolk, Virginia, who hadn't seen her daddy for three years.

"She was quite scared because all her school-mates and mother's friends had warned them not to go to Israel 'because they are shooting each other in the streets there'." Gerson recalled. She made a point of taking the youngster to local schools to meet children of her own age. By the time she left, the little girl wrote that in Israel, she had found "flowers, trees and smiling people," and had felt "safer than in America."

As part of her job - and a little more on a voluntary basis, for which she gathered a team of Haifa volunteers - Gerson began to work with the sailors.

"The men are quite different from the way people commonly view sailors. Many of them are deeply religious and faithful family men, not out to meet girls. They are interested in meeting families and especially children and enjoy a home atmosphere."

"Many of them are young boys the first time away from home. The American ships are strictly dry and when they come ashore and have a couple of beers to prove their manhood, they are groggy. USO frowns on alcohol and, of course, drugs, and we try to provide interests that will make them unimportant," explains Gerson.

IN 1984, 46 U.S. ships, with complements totalling over 39,000 men, visited Israel; in 1985, a similar number visited.

Haifa and Israel feature prominently in USO publications and in the records of the Sixth Fleet. When a lavish 10th anniversary commemorative volume was brought out by the 80,000 ton nuclear carrier USS Nimitz last year, many pages were devoted to the ship's visit to Haifa.

Nor do the men forget Israel quickly. Gerson treasures dozens of letters of appreciation she has received from them, and the impressions of their visit makes many of them ambassadors of good will for Israel.

Land Ho! The City of Haifa welcomes ashore the officers and crew of the Sixth Fleet

To the USO, congratulations on the opening of your new premises

Haifa Municipality

HAIFA WELCOMES THE SIXTH FLEET

and greets the crews who come to us from far, across the seas.

We hope your new U.S.O. Centre will be a vibrant meeting place of cultures that will make your visit with us memorable.

Arieh Gurel
Mayor

Our Best Wishes to
The 6th Fleet
on the opening of the new
U.S.O. Offices
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May you have a pleasant stay in Israel.

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We continue to be at your service, as in the past.
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Congratulates the 6th fleet on the opening of the new U.S.O. premises in Haifa
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To the Officers and Men of
The 6th Fleet
Welcome to Israel
And congratulations to the U.S.O. on the opening of their New Centre in Haifa.

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J. SASSOWER LTD.
Husbanding agent for the 6th fleet in Israel,
congratulates the 6th fleet
on the opening of the new premises of the U.S.O.

Congratulations to the
U.S. 6th Fleet
and to the U.S.O. Manageress in Israel
Gila Gerson
on the opening of the new premises.
Good Luck!
Ami Lloyd Ltd., Travel and Tours

America's roadside show

NOBODY WHO travels the thousands of miles of interstate highways in the United States can miss them: "This exit for the Roy Rogers Museum," a dinosaur park, London Bridge transplanted to Arizona, Confederation, the Shuffelboard Hall of Fame, the World's Largest Ten Commandments, a museum which contains Lee Harvey Oswald's can opener. They are America's roadside attractions, one of the prides of a great nation, and they have now been celebrated in a book called, aptly enough, *Roadside America*.

The book, which is written by four young men and published in New York by Simon and Schuster, covers almost every state in the union. It's extremely tongue in cheek, very funny, and yet very affectionate: the authors plainly feel that the attractions they describe, like lava lamps, are fascinating in their splendid awfulness.

There is Aquarena Springs, for example, in San Marcos, Texas, where lovely young girls in togas invite you to watch a diving pig perform. The Cypress Kneec Museum in Palmdale, Florida, has the world's largest collection of bizarrely shaped pieces of cypress wood. There are at least 10 places across the U.S., from his home in Tennessee across to California, where you can catch mementoes of and tributes to Elvis Presley, including his sunglasses, his Excon credit card and his electric shoeshiner.

There are stacks of celebrity museums and parks: at the Liberace Museum in Las Vegas you can see his miniature piano, sequined dolls dressed in his stage costumes, and a plaster cast of his brother's hand. In Louisville, Kentucky, you can go to the Colonel Sanders Museum and see a wire-sculpture chicken which flaps its wings and lays golden eggs. If you are passing Winterset, Iowa,

SIMON HOGGART
Washington



Welcome to Disney World

you can call in at John Wayne's birthplace and see the eyepatch he wore while filming *True Grit*.

The astonishing thing about America's roadside attractions is not that they are fading but that so many of them remain. People used to a nightly diet of wonders on T.V. are less likely to be interested in mock Indian teepees, caves filled with coloured lights and hot dog stands shaped like hot dogs.

Theme parks such as Disneyland and, nowadays, a host of others offer greater excitement than a tree you can drive through or the world's largest cow, or wax museum. Worst of all, in 1965, the attractions were hit by the Highway Beautification Act, helped through Congress by Lady Bird Johnson, then first lady. This all but eradicated road signs

on the interstate highways used by virtually all long-distance travellers. Parents who might have been nagged by their children for up to 100 miles to stop for the Weekly Wachee Underwater Showgirls in Florida, the Dalton Gang Hideout in Meade, Kansas, or the Witch Dungeon in Salem, Massachusetts, can now glide past them untroubled.

In spite of this, the attractions somehow manage to flourish. After all, people have to have something to do when they get to wherever they're going. We went to Gatlinburg, Tennessee, which is given over to little other than attractions, and which *Roadside America* calls a "Mecca." It's a stunning place, given over entirely to the vulgar. It's also clean, efficient and rather attractive. The Chamber of Commerce keeps the streets appropriately decorated and, in case visitors should miss the point, there are signs thoughtfully labelled "Photo Spot" at places where people might like to snap each other.

Gatlinburg boasts the Elvis Hall of Fame, where you can see his rings, his Bible, his limousine and his sunglasses, eked out with property belonging to other famous stars such as Barbara Streisand and Sylvester Stallone. Nearby at the World of Illusions you peer myopically at a dark bronzed bust of the singer. Suddenly this turns into a living hologram of his head, which begins to sing a selection of his favourite hits. Another display magically recreates Superman using X-ray vision to peer at Lois Lane's underwear.

Gatlinburg also features a Ripley's "Believe It Or Not" Museum, the Guinness World Records Exhibition Centre, the Seven Gables Haunted House, and Christus Gardens, a religious theme park in which wax models, built in England, "complete with human hair and medically approved eyes" populate well-known scenes from the Bible. (London Observer Service).

Debt proving too much for Poles

WARSAW (Reuters). — Poland is in danger of failing to meet this year's debt repayments because of a dwindling trade surplus and Western creditors' refusal to give fresh loans, diplomats and economists say.

A Western diplomat said it was a "foregone conclusion" that Poland would seek a postponement of year-end payments in talks with the Paris Club of 17 Western creditor governments.

Grzegorz Wojtowicz, director of the national bank's foreign department, said he hoped talks would be held in the "nearest future" but declined to predict the agenda or outcome.

Both sides were, however, preparing the basis of an agreement to reschedule loans, Wojtowicz told Reuters.

Last year, Poland fell behind in repaying some \$350 million which later had to be rescheduled. Diplomats estimated that a similar amount could be lacking in 1986. So far this year, Warsaw has renegotiated payments totalling \$2.4b. to Western governments and \$1.6b. to Western commercial banks.

Poland's hard currency debts, Wojtowicz said, totalled \$32.7b. at the end of August, up from \$29.3b. at the start of the year. The rise was mainly due to the dollar's fall against other currencies such as the Deutschmark, which make up the bulk of Poland's debts to the West.

In the first nine months of 1986, Poland had repaid about \$1.4b. in principal and interest owed to various creditors, Wojtowicz said. This income derived from a hard-currency trade surplus of \$625m., income from services and transfers of \$500m., now long- and medium-term credits worth \$200m. and a positive balance of \$100m. in revolving credits.

The trade surplus was well below

plan and compared with \$797m. in the first nine months of 1985.

Traditional exports to the west of coal, coke, copper, silver and sulphur have fallen by between 11 and 27 per cent this year, according to official figures.

"We are facing the real danger of failing, for the second year running, to meet the plan target for our hard-currency trade surplus and conse-

quently to meet our debt servicing obligations," the financial weekly *Zycie Gospodarcze* commented.

Polish officials have often repeated that Poland could boost exports and thus debt payments if the West resumed loans cut off in response to the imposition of martial law in 1981.

Most Western countries, with the notable exception of the U.S., have lifted the ban on official loans to Poland but governments are reluctant to lend more money to a country they see as a high risk debtor, diplomats said.

Washington is considering lifting some sanctions against Poland in response to an amnesty for political prisoners announced last month, and Polish officials hope that an end to U.S. restrictions would open the way for more Western loans.

In the long term, Poland is also looking to the International Monetary Fund, which it joined in June, for some relief from its chronic shortage of hard currency.

Wojtowicz said an IMF team is due in Warsaw later this month to prepare a report on Poland's state of health which will lead to discussions on future loans.

Government sources, recalling the political and social crises of 1980 and 1970 when the authorities tried to implement unpopular economic programmes, have said Poland will not follow an IMF programme it sees as too stringent.



Polish miners: Exports of Poland's key natural resources, chief among them coal, have plummeted, exacerbating the country's debt woes. (Camera Press)

Doubts about stability

Philippines fail to win back foreign investors

MANILA (Reuters). — Foreign investors remain very wary about moving funds into the Philippines despite the strong political support President Corason Aquino got in Washington last week.

Bankers, economists and diplomats say she faces a long haul in restoring investor confidence and securing the large volume of money needed to rebuild an economy that has been shrinking for three years.

In Washington, Aquino, who displaced Ferdinand Marcos as president last February, implored American businessmen to invest in her country. She will make the same plea to Japanese corporations when she visits Tokyo next month.

But economists see no signs yet that companies, domestic or foreign, are ready to expand. They want to be sure first that the Aquino government is stable and capable of putting the economy back on a growth path.

"The government's inconsistent pronouncements on labour-management relations, external debt, foreign investments and tax restructuring have all dampened business initiative," said Omar

Cruz, chief economic forecaster at the Centre for Research and Communication, a leading independent economic institute.

The flight of capital that drained the Philippines economic strength at the end of the Marcos era has ended. "The fact that it has stopped is a sign of confidence. But it is not coming back," said a Western diplomat.

Only 25 million flowed into the country in April, May and June this year, \$10 m. less than in the first quarter.

Bankers say Aquino's first priority is to stop the economy shrinking. But private economists think this year will show another contraction after business activity dropped nearly 4 per cent last year. There could be some growth next year if the government schemes work.

The consequent loss of jobs and falling income help explain the increase in communist insurgent activity across the country. So rural job creation is an urgent priority for the government, diplomats said.

The economy can expect a boost soon if the International Monetary Fund (IMF) lends it \$508 m. after

approving an economic reform programme. After that commercial banks will be ready to re-negotiate terms on the country's massive \$26 billion foreign debt, cutting interest rates and giving it more time to repay loans.

The IMF money would be used to build country roads, schools and hospitals, which should stimulate business, through wages and higher demand for building materials. But sustained recovery will depend on whether private companies increase their daily activity. The catch-22 is that shrinkage makes it hard to encourage companies to invest.

Bankers are overloaded with pesos because few companies want credit, bankers say. "The money is there and the banks are looking for borrowers. It is just the investor confidence that is lacking," said one.

Safeguards for foreign investment — important for attracting overseas capital — are now being thrashed out in talks aimed at writing a new constitution. But there has also been talk about restricting foreign ownership as well in these talks.

Under Marcos, foreign invest-

ment in agriculture-related companies and public utilities was limited to 40 per cent of shareholding, rising to majority ownership in some export-oriented businesses that earned vital foreign exchange.

"Companies are not prepared to move until the exact rules are legally in place. First of all you have the ground rules. Businessmen will want to see what the parameters are before they can adjust accordingly," said an Asian diplomat.

Even then, the prospect of elections next spring after the constitution is proclaimed may delay investment into the second half of 1987.

The stability of Aquino's power base is still questionable, and her government is only just beginning to grapple with a rash of strikes that began as trade unions started to flex their muscles after Marcos's restrictions were removed.

However, diplomats said Aquino's visit to the United States removed some uncertainty by underlining the support of the Philippines' major ally.

"The stability of the Aquino regime is improving day by day now," said another diplomat.

THE TAX BURDEN/Jeff Broide

Letters from taxpayers

Q. We have followed your column with great interest and it is obvious that many readers have received benefit, or were able to avoid pitfalls, from your clear-cut observations and advice.

There are many in the same position as ourselves, nearing the 10-year mark of our immigration to Israel. We are in receipt of pensions from Britain, where we also have some modest investment in Exchequer bonds. We receive old-age and work pensions. Could you advise what will be our liability for Israeli income tax on our income from the above sources. (M.G. Jerusalem)

During the 10-year period (which last March was extended to 20 years) only interest earned on foreign exchange deposits held with local banks is tax exempt. Any other income received in Israel by new residents from foreign sources is taxable after their first seven years in the country. In fact, capital gains are taxable even when they are not actually received here.

The double-tax treaty between Israel and Britain provides that pensions earned in one by a resident of the other will be exempt from taxes in the former. This, of course, is subject to the pensioner being liable to tax in the latter. In other words, your pensions is, strictly speaking, taxable in Israel and not in Britain. However, for the first seven years a special reduction may be obtained, reducing the taxes payable on the

pension substantially. Be warned that this topic is a little cumbersome to deal with properly in a tax column of this nature, and a private consultation is usually advisable.

Q. We immigrated in April 1983. I am a part-time typist, working six-seven hours a day, three days a week, at NIS 4 an hour. How much may I earn and still not pay taxes? (A.B. Netanya)

As a new immigrant (within the first 42 months) and a working mother, you may earn NIS 680 monthly without being liable for any income tax, according to the tax rules as of June 1986. Thereafter, you will be taxed at 30 per cent, going up the scale. However, you will be liable for National Insurance payments, based on your status (self-employed or employee), hours worked and money earned.

Q. Could you clarify your distinction between annual salary and earned income in your June 12 article? (Yvonne Gilson, Jerusalem)

Actually, the distinction is between salary and income — income paid by an employer — and income from other sources, such as self-employment, rental income, dividends, interest and royalties. The article quoted stated that the exemption from the liability to file a tax return was dependent on the amounts earned from salaries.

The National Insurance (NII) has concluded that certain countries enable migrants to continue to receive insurance which, outside Israel, here are a ples:

• A treaty with Britain: recipient of an old-age or allowance to continue to after emigrating. A person in one country who could insured in the country it has immigrated: may join periods together for the entitlement to benefits.

• New immigrants from it lands are entitled to receive and survivor's allowances (and vice versa). Similar: apply to France, except th a minimum period before are receivable.

• A treaty with the U.S.: recipient to receive old-age survivor's allowances direct through the NII.

• It should be noted th with most countries have included via the International Organization covering: injuries. Health insurance wances for children are no by this agreement.

The writer is a Certified Accountant (Israel). Quests be addressed to him c/o The Jerusalem Post.

WORLD BUSINESS IN BRIEF

Stocks in Tokyo plunge; brokers split on trend

TOKYO (Reuters). — Tokyo stock prices plunged yesterday, with the market average dropping below the 17,000 level for the first time in more than four months.

Brokers were split over whether the drop heralded a major readjustment or whether the market would shrug it off.

The 225-stock average lost 347.95 points to close at 16,970.12, after shedding 20.66 points Tuesday. Turnover was an extremely light 370 million shares, compared with 340 million Tuesday.

The index has fallen more than 2000 points, or 10.6 per cent, since its August 20 record of 18,978.49.

"If it breaches 16,450...we can expect a substantially lower market," one British broker in Tokyo said. But Japanese brokers have a vested interest in keeping the market above this level he said.

U.S. RETAIL SALES increased a record \$5.6 billion, or 4.6 per cent, last month due to strong demand for new cars under cut-rate financing deals, the Commerce Department reported yesterday.

Without cars, retail sales were up only 0.1 per cent last month, and analysts cautioned that the overall record gain might not signify a major pick-up in the economy.

The September rise was the largest since the department began keeping records in 1967 and brought the year's total to a seasonally adjusted \$127.2.

Retail sales have been up in each of the past six months. The Commerce Department revised its August retail sales figures upwards to a 1.5 per cent rise from an 0.8 per cent gain.

JAPAN HAS BEEN BUYING large amounts of gold again in a secretive financial operation, which helps support the dollar and makes Tokyo's record trade surplus figures with the U.S. look much better, dealers said yesterday.

The Finance Ministry denied it had made any firm decision to mint extra gold coins next year commemorating the 60th anniversary of Emperor Hirohito's reign. But foreign exchange dealers in Tokyo said the Bank of Japan had bought up to \$1 billion this month to finance extra gold purchases by the government.

CHINA'S FIRST BANKRUPTCY has netted creditors only half of what they were owed — and some will pick their business partners better in future.

The official *Workers Daily* said yesterday an auction of the assets of an instrument factory in the northeast city of Shenyang gave creditors \$66,000, which was shared equally among the state firms, collectives and private companies owed money by the factory.

Two firms in the province of Hubei also were reported bankrupt this month. But a national bankruptcy law was not passed by the National People's Congress earlier this year.



Executives participating in a Set workshop on "social" English

Teaching English 1 Israeli executives

By GREER FAY CASHMAN
Jerusalem Post Reporter

Approximately a dozen Israelis are seated in the hotel lobby, chatting animatedly in English. There are no non-Israelis among them for whose benefit they are speaking in a foreign language. In fact, they are paying for the privilege of speaking together in English.

All are students at Set Seminars, an English language training programme geared mainly to both junior and senior business executives. Set Seminars is one of those successful enterprises that started by accident and never looked back.

What sparked it was a phone call seven years ago by Bank Leumi to the Foreign Languages Department of Tel Aviv University. The Bank Leumi caller wanted to speak to someone about planning training programmes in English language for employees.

The phone was picked up by Israel Buczko who had been working at the university for about two years, but who wasn't thrilled at the prospect of spending the rest of his life in academia.

Buczko, who had come from Australia in 1967, armed with a degree in psychology, had gone to Kibbutz Yitzrael, where he lived for 10 years, working in education and acquiring a second degree in linguistics.

When he and his family left the kibbutz, Buczko started working for the Open University and for Educational Television, writing a series of English-language scripts designed to help school children solve grammatical problems through drama.

Using his combined experiences, Buczko took up Bank Leumi's offer and over the next two years developed a suitable series of seminars for small groups. Both the teacher and the psychologist in him were aware that for the project to be successful there had to be strong interaction among the seminar participants, which meant groups had to be limited to no more than 12.

In creating and building up the seminar series, Buczko developed a network of teachers that today in-

cludes 65 part-timers from fields as law, engineering, ed and psychology.

Of the 100 leading Israeli panies listed with Dun and Street, Buczko claims to have clients. Many of the spec seminars are conducted in cation with the Israel Export Im These are often the most inte and challenging because the pants do not know each ot advance and come from di fields of business and age g Basically what they have in co is that they are Israelis who are to do business abroad and know English before they go.

The emphasis is on business, but they are also taught graces and small talk. The ser are structured to give students immun exposure to the nuan English pronunciation. All of ko's staff are native speakers are chosen to reflect a wide ra speech patterns: one session seminar will be taken by a f South African, another by an /ican from the north, another American from the south, an another from the north of Engl

One condition that Buczko it is that the full-time semina live-in experiences. He has ar ments with various hotels i outer Tel Aviv/Hazliva are accommodation and lecture roolities. Seminars last five, ten fifteen days, with fees starti NIS600-NIS750, including r and teaching aids.

Planned for "total immers the programmes consist of 81 hours a day of study with tution teams of 3-4. Outside the class students are addressed by a dinner speakers or join in an eve of folk-singing in English. V enrolled at the seminar, they an allowed access to Hebrew news ers.

Buczko also organizes class suit his clients and has two Km members who come at 5:30 a.n brush up on their English bec that's the only time they have a able.



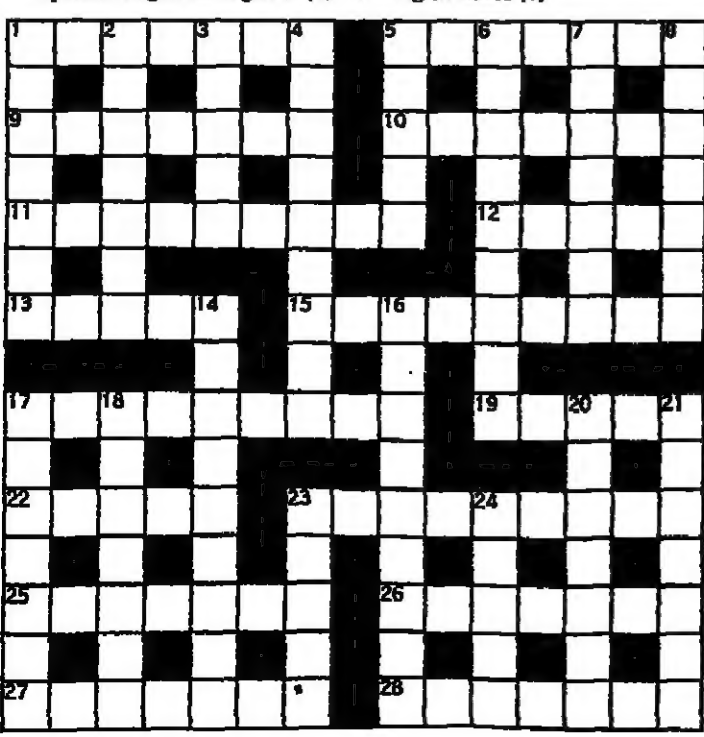
NATIONAL INSURANCE INSTITUTE SUCCOT HOLIDAY

Owing to the Civil Servants centralized vacations, all offices of the National Insurance Institution will be closed from Friday, October 17, 1986, until Friday, October 24, 1986, inclusive. Offices will re-open on Sunday, October 26, 1986.

With holiday greetings
Public Relations Department

ONE-ON-ONE CROSSWORD

- | ACROSS | DOWN |
|--|---|
| 1 Bravery of many as old as we (7) | 1 Witches' device guaranteed not to tear? (7) |
| 5 Means of raising pitch for a sailor (4,5) | 2 French one left port carrying no cargo (7) |
| 9 Descriptive of eastern flower, blue or white? (7) | 3 Sort of wit in "Room at the Top" (5) |
| 10 Flighty sort to box and be one of eight, perhaps (7) | 4 Dish left in derelict hacienda (8) |
| 11 Lowering of price for slimmers' course (9) | 5 Golden Retriever? (5) |
| 12 Part until December and sign over a letter from Spain (5) | 6 Licensed for three-card trick (9) |
| 13 Blow the magazine (5) | 7 Last part of 5 across over tea, we hear is allowed to make pastry (7) |
| 15 To avoid this condition, air T-shirt properly! (9) | 8 Unrefined quality — swears badly around noon (7) |
| 17 Wales sing about what is raised in salute? (9) | 14 Reduced fare seat for issue? (4,5) |
| 19 Flag to fall around Ohio (5) | 16 Territorial Army's man Fleming is a devil (9) |
| 22 Scotch governor? (5) | 17 Forest cleared for Dürer's work (7) |
| 23 Is it prepared by a bank teller? (9) | 18 Use can't destroy the potty type (7) |
| 25 Tea brewed in invitation to treat (7) | 20 Work in theatre — theatre-work with note (7) |
| 26 Ungrateful person gets a roasting, maybe (7) | 21 Fiddle you start in terra cotta (7) |
| 27 Difficult to prove, the more complex it is (7) | 23 Second eleven's source of power (5) |
| 28 Where Hamlet thought Ophelia might have got to (7) | 24 Marbles champion breaking leg at home (5) |



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Farkash, 28 Hapalmah, 630084; Balsam, Salah Eddin, 272315; Shu'at, Shu'at Road, 610106; Dar Aldawa, Herod's Gate, 260259.
Tel Aviv: Benny, 174 Dizengoff, 222386; Sarinas, 93 Ibn Givoli, 246003.
Netanya: Kupat Holim Leumi, 9 Smolensky, 38053.
Haifa: Hanesal, 33 Hanesal, 333312.

DUTY HOSPITALS

Jerusalem: Hadassa Ein Kerem (pediatrics, ophthalmology) Shaare Zedek (obstetrics, surgery, orthopedics), Bilur Holim (internal, E.N.T.).
Tel Aviv: Rabin (pediatrics, internal, surgery).
Netanya: Laniado

POLICE 100

Dial 100 in most parts of the country. In Tel Aviv dial 524444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem *523133
Ashkelon 23333 Kiryat Shmona *44333
Bat Yam *501111 Kiryat Shmona *23333
Beer Sheva 747818 Netanya *23333
Carmiel *985555 Netanya *23333
Dan Region *781111 Petah Tikva *923111
Elit 7233 Rehovot *451333
Hadera 22333 Rishon LeZion 942333
Haifa *512233 Sderot 30333
Holon 30332 Tel Aviv *240111
Holon 803133 Tiberias *90111
Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Ezer" — Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 261112, Haifa 672272, Beer Sheva 418111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call Tel Aviv 244818, Jerusalem 249552, and Haifa 382611.

Jerusalem Institute for Drug Problems, Tel. 663328, 663302, 14 Bethlehem Rd.

The National Poison Control Centre at Rabin Hospital, phone (04)523205, for emergency calls, 24 hours a day, for information in case of poisoning.

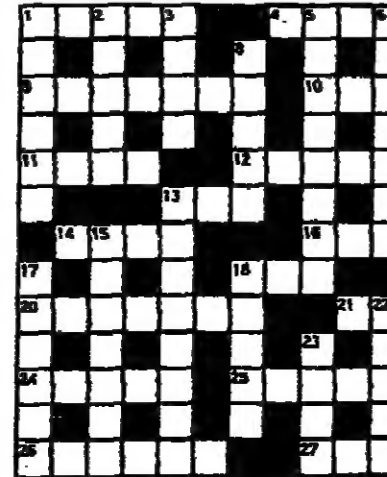
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

FLIGHTS

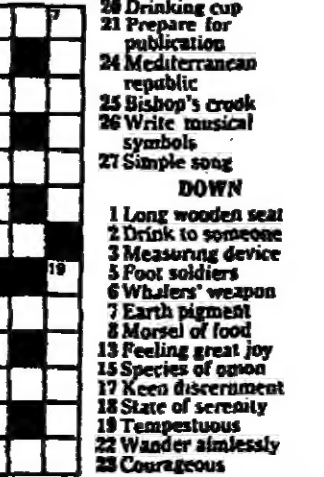
24-Hours Flight Information Service: Call 03-5712484 (multi-line), Arrivals: Only (Taped Message) 03-381111 (20 lines)

QUICK CROSSWORD

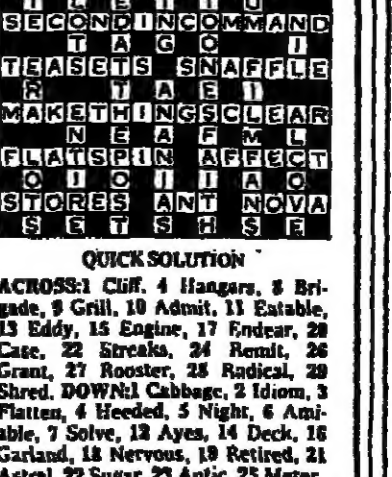
1 Goatlike sylva deity



4 Illuminates
9 Fishing-boat
10 Curse
11 Stringed instrument



Yesterday's Solution



ACROSS: 1 Cliff, 4 Hangers, 5 Bridge, 9 Grill, 10 Admit, 11 Eatable, 13 Eddy, 15 Engine, 17 Endear, 28 Case, 22 Struck, 24 Remit, 26 Grant, 27 Rooster, 28 Radical, 29 Shred, DOWN: 1 Cabbage, 2 Idiom, 3 Flatten, 4 Heeded, 5 Night, 6 Amiable, 7 Solve, 12 Ayes, 14 Deck, 18 Garland, 18 Nervous, 19 Retire, 20 Astral, 22 Sugar, 23 Aisle, 25 Meter.

MARKET PLACE

JOE JOSEPH

The U.S. invasion

Historic reforms to London's stock exchange are admitting U.S. and Japanese players to a once cosy financial club, and the icy blast of international competition threatens a grim toll among the bowler-hatted British.

Elsewhere, the term "big bang" means the scientific theory that the universe began with a colossal explosion - but British stockbrokers have borrowed it to describe a present burst of deregulation in the City of London, heartland of British finance.

It culminates in 11 days when participants will no longer be protected by rules getting fixed commissions for stock transactions, and when foreign players will join in bringing large scale computerized stock trading to London.

Manhattan moguls like Merrill Lynch - America's biggest broker - Citicorp and Salomon Brothers and the Japanese securities firm Nomura have been joined by Europeans like West Germany's Deutsche Bank in expanding London operations.

Some, like Merrill Lynch and Nomura, relied on home-grown talent. Others bought it off the shelf, taking partners and analysts from City stockbrokers for salaries that made them rich beyond their dreams.

Takeovers abounded. Of the city's 20 leading stockbroking firms, only eight can still call themselves British today. America's Security Pacific took over Hoare Govett, Union Bank of Switzerland took Phillips and Drew, Citicorp got Scrimgeour Kemp-Gee and Hongkong and Shanghai Bank bought James Capel.

British commercial banks, too, have bought up stockbrokers lest they fall behind in the services they can offer clients.

The Americans brought their demanding working hours along with the high salaries, breakfast meetings and conferences at hours when brokers used to be in bed are now the rule. Fabled "City" hunches, ended in mid-afternoon when the port went the rounds, gave place to a desktop sandwich.

Most importantly, the whole texture of financial dealing is set to change dramatically.

"There will no longer be clear dividing lines between raising money for corporations through commercial paper or through share issues, through long-term or through short-term instruments," says one analyst.

"Instead debt will become interchangeable, an endless stream flowing through a wide range of instruments that can be converted from one currency to another and from one type of paper to another without difficulty."

A taste of things to come hit London in August when the now Californian-owned but London-based stockbroker Hoare Govett and New York's Salomon Brothers placed \$156 million worth of British Petroleum shares on behalf of the Brewer Guinness in minutes in London and around the world.

What was different in this block trade was that the brokers took the shares onto their own books, acting as principals in the deal rather than simply salesmen on behalf of their client.

Such deals may be common on Wall Street, 11 years after its "May Day" deregulation, 1975.

But few of London's traditional brokers could have afforded such a risk. Now, flush with money from their new parents and partners, many will be forced to offer similar services if they want to stay alive in a cut-throat game.

This raises one of the most worrying spectres for bankers and brokers, both old and new, in the City. The advantages of the new free market have to be set against the fact that in such a bracing environment only the fittest will survive. Many firms will be flung up to the starting line on October 27, but most City analysts - mindful of the shake-out that stunned Wall Street after May Day - concede that there is not enough business for them all.

Many analysts feel that the Americans, with their hard-won experience on Wall Street, their financial muscle and their aggressive and successful trading style, may have a head start. (Reuters)

AN IMF DELEGATION is expected in Cairo next week to resume talks on a \$1.5 billion loan to Egypt, the Middle East News Agency reported.

It said the talks in Washington showed IMF satisfaction with the economic measures Egypt has taken so far.

An IMF team was last here in September to review government economic reforms.

Bank salaries far less than alleged

By PINHAS LANDAU

Post Finance Reporter

Only a handful of senior bankers receive - probably six or seven - monthly salaries in excess of \$10,000, not the 200 or so claimed in a recent report by Tel Aviv University Professor Arye Globerson.

Figures obtained by *The Jerusalem Post* indicate that below the very top levels, senior executives in Bank Leumi are paid \$4,000-\$5,000 gross per month, leaving them with a net salary of \$1,600-\$2,000. In addition, they receive fringe benefits, but these probably do not add more than 10-20 per cent to their pay.

At Bank Hapoalim, executives at the equivalent management levels receive \$3,000-\$3,500 per month, leaving them with \$1,200-\$1,500 in net pay, and a much smaller range of fringe benefits.

The differences in pay levels for these grades, are not the only ones between the two banks, according to knowledgeable sources. In Bank Leumi, all personnel from the level of assistant general manager and upward - apparently some 80 persons - are employed on personal contracts and are not part of the regular wage scale of the bank. In Hapoalim, however, all personnel, from the chairman of the management board downward, are on a uniform wage scale, with relatively narrow gaps between the ranks.

Even ignoring this anomaly, the wage differentials between Hapoalim's top office - the chairman of the board, who is in effect the chief executive officer (CEO) - and that of assistant general manager, four ranks below him, is only some NIS500-700 gross a month, depending on length of tenure and other personal circumstances.

At Bank Leumi, by contrast, there is a large gap between the pay of assistant general managers and the ranks below them, who are not included in the personal contract group. The next rank, deputy general managers, have the additional benefit - over and above slightly higher pay - of receiving their salaries on a quarterly basis, paid in advance.

The next jump is between the four senior deputy general managers and the two most senior levels at Leumi - the CEO, Moshe Man, who has been officially succeeded by Mizrahi's Tefahot unit to its parent. Man is reputed to have been paid in excess of \$10,000 a month at Tefahot, a level that is being maintained after his move to Mizrahi's top job. However, his predecessor, Aharon Meir, got much less.

At Discount, there is a long-standing contract between the Recanat family, who founded and own

the bank, and the bank itself, under which a company owned by the family was paid a percentage of the bank's gross profits. This ensured that large sums were indeed drawn by the senior management much of which consists of the family. However, this contract was conditional on a member of the family serving as CEO. Raphael Recanat, however, was forced to give up the job last July, at the behest of the Bejski Commission, and the spot is now filled by a non-family member. The Recanats are no longer paid collectively.

Thus the picture that emerges for the banking system as a whole is of a small group whose salaries indeed range from \$10,000-\$25,000 per month. This includes the top three executives at Bank Leumi - CEO Mordechai Einhorn, and the two joint general managers, Baruch Yekutieli and Ya'acov Machir - and an assumed similar group at Bank Discount, although given the recent top-level changes there this is not certain. Mizrahi's Man is probably also a member of this elite club, whose total number is thought to be safely in single numbers.

Below them is a larger group of a few dozen persons who are paid between \$4,000-\$6,000 monthly, and below them another group of 100-200 lower-ranking executives in Leumi and Discount - including the higher levels of Hapoalim and Mizrahi - who receive \$2,500-\$4,000 gross per month.

The level of fringe benefits paid on top of salary varies significantly both within and between banks, and is influenced by the family and other circumstances of each person.

The *Jerusalem Post* survey reveals two general facts about bank salaries: In each bank, the executives are convinced that their peers in rival banks make far more than them, in one way or another, and refuse to believe claims to the contrary. Furthermore, the perhaps crucial issue of the size and cost of loans available to bank employees remains unclear, although all the banks' spokesmen to all the banks, claimed that the amounts involved were not large and hence the benefit involved was negligible.

'Boosting interest rate was wrong'

By MICHAEL YUDELMAN

KFAR SAVA. - The Bank of Israel should have reduced short-term interest rates instead of raising them, Bank Leumi Chairman Eli Hurwitz said yesterday during a tour of Teva Pharmaceutical Ltd.'s Kfar Sava plant with Israel Bank governor Michael Bruno.

Hurwitz told *The Jerusalem Post* that raising interest rates would not only fail to curb rising consumer borrowing, but would cause problems and endanger economic stability.

"The economy is extremely sensitive and 0.3 per cent a month adds up to one per cent in three months, which is a lot of money. I would reduce the interest in the same amount, to signal that we are in control of the economy and believe in its continuing stability," Hurwitz said.

Asked about devaluation, Hurwitz said he did not foresee one in the near future, nor did he think it a correct move. "A devaluation would only help if it's guaranteed to be in real terms and none of those I can remember was. A devaluation would jeopardize the stability we achieved with so much difficulty; we'll return to an inflationary spiral," he said.

During the tour, which was hosted by Manufacturers Association President Dov Lautman and Director General Arnon Tiberg, Bruno also visited Ordan Industries Ltd., where General Manager Michael Tamari told him that Ordan had foreseen the downturn in Defence Ministry orders. As a result it had directed its energies towards exports, principally to the U.S.

But the government's economic stabilization programme, with the effectively frozen shekel/dollar exchange rate, high interest rates and rising costs, had made exports a losing business as well.

Klal Industries General Manager Amos Bar-Haim said the government must guarantee exporters a special exchange rate. "We certainly



Bank of Israel Governor Michael Bruno (left) and Manufacturers Association President Dov Lautman (center) at the Ordan plant yesterday. (I.F.P.A.)

expect help from the government - he is one of the policy makers that brought up this plight," he said.

Lautman and industrialists rejected the finance ministry and Bank of Israel's thesis that industry's problems were caused by workers getting wage rises beyond those granted in the national agreements. Lautman said it was impossible to lower the workers for industry as it is, and it would be impossible to lower their already low salaries any further.

Lautman told *The Post* that high financing costs and the 13-14 per cent annual interest on dollar loans, combined with diminishing research and development budgets, make it impossible for any Israeli industrialist who wants to compete in the Western world.

Industry must get help in research, export incentives, lower financing costs and an exchange rate guarantee if it is to survive, he said.

THE SALT BEEF and smoked salmon sandwiches are going down a treat with Heathrow passengers at El Al's new kosher sandwich bar. Opened three weeks ago as a service to El Al U.S.- and Israel-bound passengers.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	118.73 -0.48%
Non-Bank Index	153.68 -0.75%
Bank Index	103.39 -0.28%
Insurance	108.14 -0.54%
Commerce, Services	184.57 -0.03%
Real Estate	197.50 -0.91%
Industrials	138.06 -0.82%
Textiles	152.50 -1.90%
Metals	139.34 -1.19%
Electronics	104.94 -0.01%
Chemicals	137.47 -1.06%
Industrial Invest.	125.51 -1.14%
Investment Cos.	183.00 -1.35%
General Bond Index	111.25 -0.01%
Index-Linked Bonds	110.08 -0.15%
Fully-linked	115.86 -0.01%
Partially-linked	112.41 -0.10%
Dollar-Linked Bonds	83.39 -0.12%
Short-term 0-2 yrs	110.05 -0.02%
Medium-term 2-5 yrs	111.03 -0.05%
Long-term 5+ yrs	108.49 -0.02%

Turnovers:

Shares - total	NIS 11,428,400
Arrangement	NIS 1,786,300
Non-bank	NIS 9,880,100
Bonds - total	NIS 5,533,900
Index-linked	NIS 2,989,700
Dollar-linked	NIS 2,564,200
Treasury Bills	NIS 3,542,900

Share Movements:

Advances	81 (222)
of which 5%+	16 (48)
Declines	188 (67)
of which 5%+	37 (7)
Unchanged	105 (38)
Trading Halt	40 (35)

Bond Market Trends:

Index-linked	Mixed to 0.5-1%
3% fully-linked	

4.25% fully-linked	Stable/falls to 0.5%
80% linked	Stable
Double-linked	Stable/rises to 0.5%
Dollar-linked	
Admco	Falls slightly
Finchem	
Gilboa	Slightly mixed
For Curr.	
denominated	Rises slightly
Treasury Bills	
(annual yield)	18.4-19.4%

Arrangement yields:

IDB ord.	16.17%
Union 0.1	15.67%
Discount A	15.77%
Mizrahi r.	15.21%
Hapoalim r.	15.78%
General Invest.	15.79%
Leumi stock	15.00%
Fin. Trade 1	15.88%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	100MS change
Meir Ezra	9000	545	-1.2	
Supernak 2	3346	946	-2.0	
Dolek r.	3380	2841	-1.6	
Lightstar	16800	91	-2.4	
Cold Storage	2493	1707	-	
Dan Hotels	1781	393	+1.8	
Yarden Hotel	2850	428	-1.7	
Hilton 1	21540	327	-1.7	
Team 1	1700	532	-1.6	

Commercial Banks	(not part of "arrangement")
Martina	1082 2258 +1.6
General non-arr.	21500 38 -2.3
First Int'l	3527 1105 -0.0
FBI	4188 1748 -0.2

Commercial Banks	(part of "arrangement")
IDB	78950 486 -0.5
Union 0.1	59250 288 +0.3
Discount	101480 177 -
Mizrahi	32480 653 -0.6
Hapoalim r.	54000 384 -0.1
General A	137881 31 +0.3
Leumi 0.1	34175 1271 -0.3
Fin. Trade	45670 -

Mortgage Banks	(part of "arrangement")
Laumi Mort. r.	5120 75 -
Dev. Mort.	2200 2408 -2.9
Mishkan r.	2195 469 -3.1
Tefahot r.	13900 36 -
Merav r.	5150 153 +2.1

Financial Institutions	
Agrie Co.	no trading
Ind. Dev. DD	no trading
Ciel Leasing 0.1	18200 13 -

Insurance	
Avirat 0.1 r.	1022 567 -5.9
Hassanah r.	270 54200 -1.1
Phoenix 0.1	750 2889 -3.5
Hamishmar	7283 13 -0.3
Menorah 1	2150 209 +5.0
Sahar r.	5850 482 +3.7
Zion Hold. 1	9300 -

Trade & Services	
Meir Ezra	9000 545 -1.2
Supernak 2	3346 946 -2.0
Dolek r.	3380 2841 -1.6
Lightstar	16800 91 -2.4
Cold Storage	2493 1707 -
Dan Hotels	1781 393 +1.8
Yarden Hotel	2850 428 -1.7
Hilton 1	21540 327 -1.7
Team 1	1700 532 -1.6

Real Estate, Building and Agriculture	
Azaron	777 13565 -0.4
Elion	no trading
Africa Int. 0.1	37500 189 -
Dankner	4580 1505 -8.4
Prop. & Bldg.	2700 885 -1.1
Bayeside 0.1	4130 227 -1.4
ILDC r.	55000 143 -
Rasor	no trading
Mahadrin	7700 449 -1.5
Hadarim	1310 2765 -1.5

Industrials	
Dubek b	3240 453 -
Priz 1	1980 2495 +5.6
Sumfrost	9700 60 -
Elite	19550 1049 -1.0
Adgar	500 9023 -4.8
General Invest.	13030 58 -1.9
Delta G 1	2750 744 -
Mequetto 1	3825 1115 +0.1
Eagle 1	no trading
Polgar	3650 870 -0.5
Schoeller	18200 100 -
Rogovin	3420 1024 -10.0
Urban 0.1 r.	7501 108 -
Is. Can Co. 1	2300 6887 -8.1
Zion Cable	2150 1046 -2.3
Packer Steel	11920 97 -1.8
Elbit	368000 15 -0.3

Elion	284000 8 -
Arit	27000 32 -
Ciel Electronics	1880 1888 +3.3
Spectronik 1	1839 1327 -
T.A.T. 1	3245 412 -6.3
Ackerstein 1	850 3071 +1.8
Agan 5	18800 92 -
Alliance	2505 437 -7.8
Defender	3900 827 -3.7
Furiliser	3250 29 +5.0
Haifa Chem.	523 b.o.1 -5.1
Teva r.	6800 3362 -1.6
Dead Sea r.	4500 2000 -
Petrochem.	590 8412 -4.6
Nasa Chem.	4154 7375 -
Frutroim	13400 19 -
Hadera Paper	237000 89 -1.3
Central Trade	8080 859 -
Koor p.	5282000 0 -0.0
Ciel Inds.	1403 23008 -0.3

Investment Companies	
IDB Dev. r	4340 3759 -2.0
Elam	3550 3372 -4.1
ANK 1	248 5236 -4.2
Gehailor	1350 188 -
Israel Corp. 1	8181 728 -0.0
Wolfson 1 r.	116000 2 +0.9
Hapoalim Inv.	5700 808 -8.1
Leumi Invest.	no trading
Discount Invest.	2465 5287 -1.0
Mizrahi Invest.	16200 63 -
Cial 10	910 6269 -0.3
Landeco 0.1	5500 112 -
Pama 0.1	9259 100 -9.7

Oil Exploration	
Paz Oil Expl.	15250 64 -4.4
J.O.E.L.	2687 1625 -

Abbreviations:	
b.o. buyers only	b. bearers
r. registered	

FINANCIAL DATA ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	15.10	7-13.50%	8-16.50%	9-17.50%
HAPOLIM	25.9	8-15%	10-15.75%	12-14.50%
DISCOUNT	21.8	8-17%	9-17%	9-17.50%
MIZRAHI	8.5	8-16%	6-17%	6-17%
FIRST INT'L	23.7	6-15%	7-17%	6-17%

Rates vary according to size of deposit.
Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 99 days.

PATAM - FOREIGN CURRENCY DEPOSIT RATES

	MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.250	5.250	5.250	5.250
STG (£100,000 pounds)	9.375	9.375	9.375	9.375
DMK (100,000 marks)	3.825	3.825	3.825	3.825
SFR (50,000 francs)	3.125	3.125	3.125	3.125
YEN (3,000,000 yen)	3.375	3.375	3.375	3.375

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (October 15)

		buy	sell	buy	sell	buy	sell
Currency basket	1	1.4560	1.5240	—	—	1.4852	1.4852
U.S.A. Dollar	1	1.4718	1.4902	1.45	1.52	1.4810	1.4810
Deutsche Mark	1	0.7433	0.7526	0.73	0.77	0.7484	0.7484
Pound Sterling	1	2.1128	2.1392	2.08	2.18	2.1267	2.1267
French Franc	1	0.2271	0.2289	0.22	0.23	0.2286	0.2286
Japanese Yen	100	0.0545	0.0584	0.04	0.09	0.0611	0.0611
Dutch Florin	1	0.0500	0.0502	0.05	0.05	0.0522	0.0522
Swiss Franc	1	0.8105	0.8119	0.80	0.84	0.8362	0.8362
Swedish Krona	1	0.2159	0.2186	0.21	0.22	0.2173	0.2173
Norwegian Krona	1	0.2023	0.2048	0.20	0.21	0.2038	0.2038
Danish Krona	1	0.1975	0.2000	0.19	0.20	0.1987	0.1987
Finnish Mark	1	0.3044	0.3082	0.30	0.31	0.3063	0.3063
Canadian Dollar	1	1.0608	1.0740	1.05	1.10	1.0674	1.0674
Australian Dollar	1	0.9455	0.9576	0.90	0.99	0.9518	0.9518
S. African Rand	1	0.6587	0.6639	0.63	0.62	0.6522	0.6522
Belgian Franc	10	0.3561	0.3595	0.35	0.37	0.3601	0.3601
Australian Shilling	10	1.0573	1.0705	1.04	1.09	1.0639	1.0639
Italian Lira	1000	1.0743	1.0877	1.05	1.12	1.0811	1.0811
Jordanian Dinar	1	—	—	4.12	4.38	4.2505	4.2505
Egyptian Pound	1	—	—	—	—	0.8071	0.8071
ECU	1	1.5477	1.5671	.78	.83	—	1.5577

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A voice in the wilderness

THE outgoing director-general of the Foreign Ministry, David Kimche, seized the opportunity of taking leave from his colleagues this week to deliver some sharp criticism of the way foreign policy is made or not made in this country. Specifically, he deplored the exaggerated influence of the defence establishment and the relegation of the foreign ministry to a secondary role.

The complaint could be dismissed as mere pique, reflecting Mr. Kimche's feelings about the manner in which he is being compelled to leave office. A model civil servant, Mr. Kimche, after 27 years in the defence establishment and six as head of the foreign ministry, has become a victim of the rotation.

Mr. Peres, bound by an agreement with Ezer Weizman's Yahad list, had to find a place for Avraham "Abrasha" Tamir, until now director-general of the Prime Minister's Office. That place turned out to be Mr. Kimche's job. And whether Mr. Tamir, a man of many talents, has the talent for this job, apparently became a minor consideration.

But such a subjective reading of Mr. Kimche's remarks, while comforting for the targets of his strictures, would do him and his subject a disservice.

The situation about which he complained is not new. It has a long history, dating almost to the beginning of the state. It was a source of friction between Ben-Gurion and his foreign ministers - Moshe Sharett and Golda Meir. And it has been, in one form or another, a persistent motif ever since.

Partly it derives from the high priority accorded to security needs and security thinking. And partly it stems from the centralization of policy-making in the prime minister who historically takes his cues from the defence establishment.

Under the national unity government, however, the problem has assumed new features. The foreign ministry of Yitzhak Shamir danced to one tune; the prime minister played another. And the defence minister, nobody's second fiddle, pulled in his own direction, though he carefully avoided all signs of dissonance by appropriate consultation with Mr. Peres.

As a result of these different yearnings, and especially the difference between Mr. Peres and Mr. Shamir, the foreign ministry was kept even further from the inner sanctum of policy formation.

When, as must be expected, Mr. Peres takes over as foreign minister, and Mr. Shamir as prime minister, the strains will be reversed. But they will not be eliminated. On the contrary, they will be intensified. Mr. Shamir, like Mr. Peres, will want, for example, to control the all-important relations with the U.S. and policy towards the Arab states. But Mr. Peres, coming off a very active two years, will not be shunted aside from these central policy concerns. He can be expected to wield the foreign ministry in a more active manner than did his predecessor.

Yet this, of itself, will not lead to the heightened coordination and policy deliberation that Mr. Kimche espoused. For in this case an active foreign ministry will reflect not closer involvement in the direction of policy, but rather more energetic deployment of a Labour-directed policy mechanism in the face of a Likud mechanism located at the Prime Minister's Office.

Thus, the foreign ministry may find itself instilled with new energies, but at the expense of policy coordination.

In this circumstance, the balance will be determined even more decisively by Mr. Rabin and the defence establishment.

Unfortunately, no amount of criticism of these untidy and often defective arrangements will change them. They are built into the nature of the unity government.

Only when the country returns to a cohesive form of government, rather than a dual government that poses as one, and only when such a government is headed by an authoritative prime minister intent on properly deploying the resources and experience that reside in the foreign ministry, will the kind of critique to which Mr. Kimche gave voice land on fertile ground.

ROTATION

(Continued from Page One)

the crisis were raised by both sides, sources in the Prime Minister's Office said.

Peres entered the meeting, which was also attended by Defence Minister Yitzhak Rabin and Finance Minister Moshe Nissim, with a mandate from the Labour ministers and the party's Knesset caucus to make two proposals:

• That Shamir immediately establish a 23-member government with all the disagreements between the two parties to be resolved at a later date; or

• That the Likud agree to negotiate the entire range of disagreements before the establishment of the new government.

Both proposals were reportedly rejected by Shamir.

Senior sources close to Shamir said they had had great expectations for the talks but were soon "bitterly disappointed." Peres had nothing new to say, save to offer again that Shamir be sworn in as premier immediately, but with the government frozen as it is now without Moda'i. Alternatively, he said Moda'i could re-enter the cabinet, but only if Belin were appointed ambassador to Washington or if Shamir agreed to give Peres exclusive right to pick the new ambassador.

The Likud sources said after the 90-minute meeting: "This has brought us back to square one. There is no way on earth that the Likud would agree to disqualifying Moda'i or to a situation in which Labour would be dictating who the Likud ministers would be."

Shamir stressed at the meeting

with Peres that there was no connection between the rotation agreement and diplomatic appointments. Sources close to Shamir stressed that "the one impediment to rotation is the Belin appointment. Labour was already willing to have Moda'i in the cabinet, but Moda'i is now being held a hostage for the Belin appointment."

At a meeting of Likud ministers earlier in the day, Shamir came under fire from Industry and Trade Minister Ariel Sharon for having agreed earlier to a compromise whereby Moda'i would not be given a portfolio for the time being.

Shamir and other Likud politicians also met with leaders of the religious parties and heard what sources described as "encouraging messages of support."

The smaller parties - Agudat Yisrael, the National Religious Party, Shas, MK Abraham Abuchazera of Tami and MK Avraham Verdiger - were largely critical of Labour and called for the immediate establishment of a government under Shamir, sources in the Prime Minister's Office confirmed.

Judy Siegel adds: President Chaim Herzog is to continue his consultations with parties this morning, meeting with Yigael Hurvitz (Ometz) at 9:30, Shinar at 10 a.m. and Shas at 12:30.

Beit Hanassi yesterday received a number of letters and telegrams from citizens deploring what they said was "needless bargaining and delay by the Alignment," and calling on the parties to rotate the premiership immediately.

A small-town mentality - call it local pride

HAIM CHERTOK

INSTEAD OF our decreeing *ex nihilo* several dozen new towns in the 1950s, declares David Krivine in his article on September 26, "half-a-dozen would have been ample." Then he broaches the unthinkable: in order to plug the ceaseless drain of money as well as to maintain "empty spaces... the lungs of Israel," it is time to study the pros and cons of the evacuation of flop-settlements, the dismantling of buildings, and of permitting the sites "to return to nature."

Which settlements? Oh, you know. Sentences are passed on Israel's "costly children": Ashdod shall live. Sderot shall die. Kiryat Gat shall live. Kiryat Malachi shall die. Carmiel shall live. Yeroham - yea, above all, mudnik Yeroham deserves to die (or rather, it is deemed "not necessary.")

One can imagine that such a Days-of-Awe game might sell well on the Carmel. Why, I wonder, is it so unamusing for the likes of me, since 1977 an oddly satisfied resident of woebegeh Yeroham?

Nevertheless, let us consider some of those "pros." For a start, let us recall the chief reason, the demigore who prompted what is labelled "the obsession with building townships" that led to the founding of those offensive places. Was it not primarily excessive Zionist zeal best incarnated by Ben-Gurion's passion to fill up the land?

Not quite. Let us forget our history, the pre-state Jewish population in Palestine was less than 700,000. With statehood, new arrivals from Yemen, Iraq, Romania, and others, first were housed in Lod and Ramle homes which had been abandoned by fleeing Arabs. As these were filled, immigrants were placed on

existing moshavim and kibbutzim, whose capacity to absorb newcomers was soon saturated, and in the already overcrowded older quarters of our larger cities.

In short, the Netivot, Sderot, and Yerohams were offspring less of Zionist theology than of overriding desperation. Either festering slums would ring the central cities or the newcomers had to be dispersed to the empty hinterlands. So much for our peculiar "obsession."

As long as immigrants had to be scattered, it made sense to put them in locations that were either strategically vital or economically promising. Odd as it may now seem, when Yeroham was founded in 1951 it was both of these. South of Beersheba, it was the only settlement town serving as a buffer against both Egypt and Jordan. Moreover, Yeroham was envisioned as a major regional centre.

It was economically marooned when some years later government planners rerouted the Beersheba-Eilat highway from the central Negev plateau to the Dead Sea valley.

This doleful past should be borne in mind not only because it broadens one's perspective beyond the Economist's narrow obsession with those wretched subsidies. Yeroham has done the state some service, and he should know it.

KRIVINE'S NOTION that "nobody wants to live in a small place that is neither a farm village nor a fully-fledged town" betrays provincially endemic to dwellers of - wouldn't you know? - large cities.

As Emily Dickinson once jotted, "I'm Nobody? Who are you?"

To be sure, fewer people live in small towns than in large cities, a point as profound as determining that 10 is fewer than 100. That every one residing in a large city prefers its environment to that of a small town, however, is just about as cogent as would be the assumption that all those who live in small towns remain there by choice. Nevertheless, as I can attest, a high percentage of us Nobodies must assuredly do.

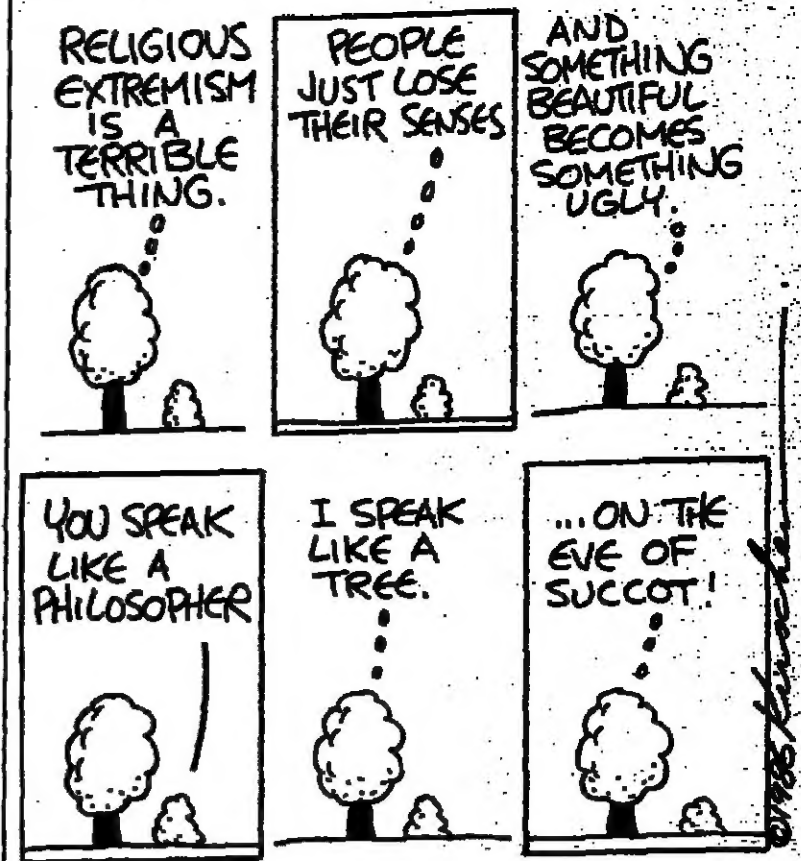
This point bears brief elaboration because we are served again the same tired, specious argument as if it were conclusive: "Over 100,000 would-be residents have passed through Kiryat Shmona, yet only 16,000 have stayed... A city must offer gainful employment and at the same time supply a full range of services to which any townsman feels entitled. Kiryat Shmona is too small to offer these amenities in full."

Some pertinent questions: How many "would-be residents" have "passed through" Rehovot or Jerusalem? Oh, especially Jerusalem - before these "would-be's" have moved along to Herzliya, Los Angeles, kibbutz or... Yeroham?

The question is, of course, absurd. Any raw figures - my hunch is that they just might resemble data for, say, Kiryat Shmona - would require such a flood of asterisks that they would be cooked by text.

Yet the same canard is employed to demonstrate the hopelessness of development towns. How precious of the Economist to decree that Kiryat Shmona's 16,000 and Yeroham's 6,400 are "too small" to exist! "What do we do with them?" he solicitously inquires. We? Them? Is not such expert thinking at the root

Dry Bones



of Yeroham's problems?

That Israel's outlying towns should "grow up and learn to be independent" is disingenuous. Interdependence is the normal state of economic adulthood. Yeroham receives subsidies, but Yeroham is also an intrinsic part of a regional organism. Most of its people work not only locally but also in Beersheba, Midreshet Sede Boker, Dimona, and the Dead Sea Works.

Furthermore, people commute daily from Dimona and Beersheba to work in Yeroham. Is not everyone aware that most of the major industry in the Negev is located not in any of its towns but in regional plants situated between communities? If the Economist consulted the Ecolog-

ist, he would realize that to pick apart pieces of a complex system almost always brings in its wake unforeseen, detrimental results.

Finally, what can one really say to a proposal to dismantle small towns in a country already disproportionately urbanized in order to prevent conurbation? Is it really so outlandish that the reason many thousands of us Nobodies are pleased to live in places bureaucrats and pundits find barbarous is precisely to escape their civilized fumes, noise, pavement, and blather.

Therefore, abolish Yeroham, Ma'alot, and the rest!!! Yoiks! What are we to do with them?

Haim Chertok is a free-lance writer who lives in Yeroham.

Israeli Arabs might fare better without Weizman

SUSAN HATTIS
ROLEF

attack the real problem - namely the menacing slowness with which the town-planning blue-prints for Arab towns and villages are prepared and approved (anyone familiar with the issue knows that the present situation is Kafkaesque), and the extreme shortage of housing for young Arab couples.

I have a sneaking suspicion that Professor Moshe Arens could be more successful in starting to resolve this particular problem, if he approaches it in a sober and practical fashion, than Ezer Weizman with all his bravado. Even without having spoken with Arens about the *Mabat* television programme last Friday featuring Umm el-Fahm, I am sure that he was one of the persons sincerely shocked by some of the scenes shown of this Arab town. We were presented with pictures of open sewers, scattered school classrooms in half-built structures and an old Arab with a sad smile who spoke of the 140,000 dunams of land, most of which are still legally owned by the inhabitants of Umm el-Fahm but which have nevertheless been out of their possession for over 30 years.

ONE DOES not have to be enamoured of the new version of the National Unity Government or even to wish it a long life to conclude that some of the Alignment's demands on the eve of the rotation were irritating, damaging to Labour's interests and wrong from a practical point of view.

The insistence on leaving Ezer Weizman to deal with the question of the Israeli Arabs was one such error. I say this not out of disagreement with what Weizman has tried to do, or has done with a fair measure of success in the last two years (he certainly deserves a medal for the way he dealt with Area 9), but out of concern for the interests of, and state of affairs in, the Arab sector.

One of Weizman's major faults in the execution of his job was his frequent disregard for the law while doing so. The law is not something which is divisible - something on which you insist your opponents observing while flagrantly disregarding it yourself whenever convenient. If the law is an ass - than make efforts to change or amend it. If the Arabs of Israel have built thousands of houses without permits, then the way to act is not to disobey court orders for their destruction but to

When the communists in an Arab town are described as the forces of the status quo, seeking coexistence and cooperation with the Jews to solve existential problems in face of the growing power and influence of extremist Moslem fundamentalist forces - even a right-wing Herutnik like Arens knows where Israel's interest lies, and Arens can do things which Ezer Weizman, who has turned into a red rag to the Likud bull, cannot.

AT A recent meeting of the Human Rights Association in Jerusalem, Minister of Communications Professor Amnon Rubinstein told the audience of various actions his ministry has taken in the last two years to get rid of some institutional discrimination against the Arabs. These acts include preparing a phone directory in Arabic, trying to stop the preference given to Jews over Arabs in certain areas in the installation of telephone lines, issuing a stamp in honour of an Arab holiday. "I was very disappointed," he said, "because I had expected to have a fight with the Likud on some of these measures, and there was no fight."

In other words, much institutional discrimination can be got rid of with little more than good will, and not all Likudniks are lacking the good will if

approached with the correct attitude. One Arab MK told me how in 1981 he had held several discussions with then Prime Minister Menachem Begin on the problem of the abandoned villages of Birim and Ikrit. Begin had actually started to look into the problem with the intention of doing something to resolve it but the Arab MK spoiled the whole move by an unbridled public attack on Begin over some incident in the West Bank.

A lot can be done for Israeli Arabs through the Ministries of Education and Health and Histadrut institutions while the Defence Ministry could do more for the Arabs in the West Bank and Gaza Strip, even in the absence of progress in the peace process. In the final reckoning it is not by pretty words in party platforms and ideological papers that one is measured on the day of judgement, but by actions. Any Arab in the occupied territories - be he pro-PLO, pro-Jordanian, Moslem fundamentalist, "authentic independent" or *fella* - will tell you that Labour has so far been better with words than deeds. If Professor Arens can put some spurs into Labour's ribs, so much the better.

The writer is editor of the Labour Movement English-language monthly Spectrum.

READERS' LETTERS

DENMARK'S FRIENDS

To the Editor of The Jerusalem Post Sir - Denmark's Friends in Israel are celebrating their 25th anniversary. The organization was founded to serve as a link between Israel and Denmark and as a token of appreciation to the only people in Europe who saved their entire Jewish population from the Nazis. The Friends foster cultural and scientific relations between the two countries, and look after the hundreds of Danish volunteers in the kibbutzim. The organization has close links with Danish-Israel Friendship Leagues, the Danish Resistance Veterans and the Danish Kibbutz Friends. Each October, the Friends host a

to commemorate the rescue of Danish Jews in 1943. This year's rally will be at the Ramat Joseph Cinema in Bat Yam on October 22 at 8 p.m. The recently arrived Danish ambassador will be present. The 25th anniversary of the Friends of Denmark will be marked on this occasion. The public is invited.

Anybody interested in Denmark who wants to join the Friends should send NIS 7 to the treasurer, Dr. Michael Strumpf, 3 Yahadut Hadmama St., Herzliya Pithul. ESTHER HERLITZ, Chairman, Denmark's Friends in Israel

JEWISH SETTLEMENT POLICE

To the Editor of The Jerusalem Post Sir - In the brief item report of October 1 on Jewish Supernumerary Police (1936-1948), there is no mention at all of the most important formation of this force, namely the Jewish Settlement Police (JSP).

The Jewish Settlement Police were charged with the defence of Jewish rural settlements and vulnerable urban areas throughout mandatory Palestine. But for the Jewish Settlement Police, very grave, possibly even decisive, loss of Jewish life and

destruction of Jewish property would have been caused by Arab attacks during the 1936-39 disturbances.

In 1948, at the time of the initial organization of the IDF, there were 17,700 rifles at our disposal; of these some 7,000 were JSP equipment. In this critical period the weapons from JSP armories may well have spelled repeatedly the difference between victory and disaster.

ARYE LEVAVI
Jerusalem.

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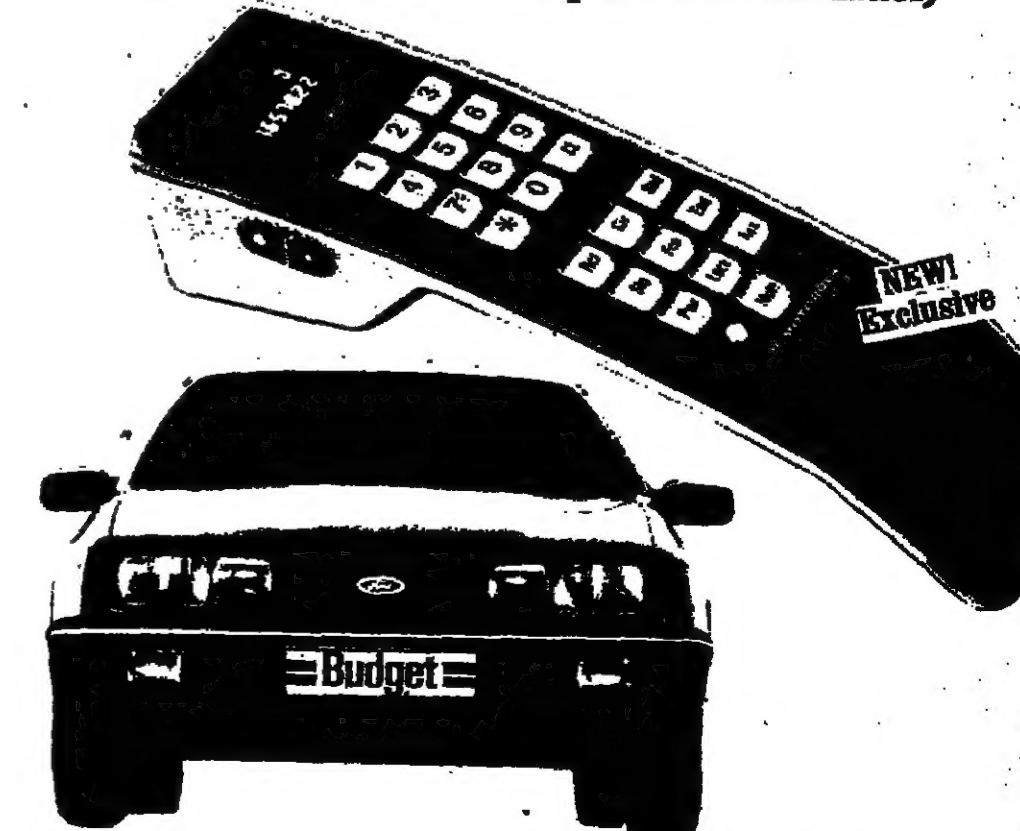
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Histadrut - General Federation of Labour in Israel proudly presented the Annual 1985-1986 Awards established by the Jacob and Clara Egit Foundation for Holocaust and Jewish Resistance Literature to Prof. Lezi Yehli, author of "The Holocaust - European Jewish History for the years 1932-1945" (in English) Lisa Lurie-Klavner, author of "Children Survivors of the Holocaust" (in Hebrew) Moshe Shotan, author of "Ghetto Uva Vaid" (in Yiddish) The ceremony took place Sunday, August 3, 1986 at Histadrut Headquarters